

CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the three months ended 31 March 2016

	(reviewed) 31-Mar-16	(reviewed) 31-Mar-15
	BD'000	BD'000
INCOME		
Income from financing	8,438	7,450
Income from investment in Sukuk	948	903
	<u>9,386</u>	<u>8,353</u>
Return on equity of investment accountholders	(6,195)	(5,521)
Group's share as Mudarib	4,669	4,199
Net return on equity of investment accountholders	<u>(1,526)</u>	<u>(1,322)</u>
Net financing Income	7,860	7,031
Expense on placements from financial institutions	(291)	(56)
Fee and commission income	1,836	1,857
Income from investment securities	-	22
Income from investment in real estate	170	603
Share of results of associates, net	(181)	(144)
Net gain from foreign currencies	228	433
Total net income	<u>9,622</u>	<u>9,746</u>
EXPENSES		
Staff costs	2,966	2,230
Depreciation	380	402
Other expenses	2,676	2,196
Total expenses	<u>6,022</u>	<u>4,828</u>
Profit before impairment allowances	<u>3,600</u>	<u>4,918</u>
Impairment provisions on financing assets	(519)	(1,874)
(Impairment charge) / write back of provisions on investments	(1,370)	35
PROFIT FOR THE PERIOD	<u>1,711</u>	<u>3,079</u>
BASIC AND DILUTED EARNINGS PER SHARE (fils)	<u>1.71</u>	<u>3.71</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the three months ended 31 March 2016

	(reviewed) 2016	(reviewed) 2015
	BD'000	BD'000
Balance at 1 January	109,512	79,095
Profit for the period	1,711	3,079
Shares allocated during the period	354	91
Net movement in investments fair value reserve	116	(314)
Net movement in real estate fair value reserve	-	(274)
Net movement in non-controlling interest	-	(11)
Balance at 31 March	<u>111,693</u>	<u>81,666</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2016

	(reviewed) 31-Mar-16	(audited) 31-Dec-15
	BD'000	BD'000
ASSETS		
Cash and balances with banks and Central Bank	61,547	61,114
Placements with financial institutions	41,537	73,150
Financing assets	494,767	475,648
Investment securities	142,460	130,635
Ijarah Muntahia Bittamleek	126,072	118,061
Ijarah rental receivables	15,692	15,692
Investment in associates	28,049	28,116
Investment in real estate	43,348	43,601
Property and equipment	16,477	16,640
Other assets	12,262	13,691
TOTAL ASSETS	<u>982,211</u>	<u>976,348</u>
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		
Liabilities		
Placements from financial institutions	108,714	93,516
Customers' current accounts	159,876	157,300
Other liabilities	18,765	16,616
Total Liabilities	<u>287,355</u>	<u>267,432</u>
Equity of Investment Accountholders	<u>583,163</u>	<u>599,404</u>
Owners' Equity		
Share capital	101,339	97,441
Treasury shares	(563)	(563)
Shares under employee share incentive scheme	(604)	(879)
Share premium	56	2,794
Reserves	11,465	10,719
Total Owners' Equity	<u>111,693</u>	<u>109,512</u>
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY	<u>982,211</u>	<u>976,348</u>

These condensed consolidated interim financial statements have been approved by the board of directors on 2 May 2016 and have been reviewed by KPMG.

Essam Fakhro
Chairman

Khalid Al Mannai
Vice Chairman

Hassan Jarrar
Chief Executive Officer

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2016

	(reviewed) 31-Mar-16	(reviewed) 31-Mar-15
	BD'000	BD'000
OPERATING ACTIVITIES		
Profit for the period	1,711	3,079
Adjustments for non-cash items:		
Depreciation	380	402
Impairment provisions on financing assets	519	1,874
Impairment charge / (write back) of provisions on investments	1,370	(35)
Gain on sale of investment in Sukuk	-	(902)
Gain on sale of investment in real estate	(80)	(603)
Share of results of associates	181	144
Gain on foreign exchange revaluation	-	(234)
Operating profit before changes in operating assets and liabilities	<u>4,081</u>	<u>3,725</u>
Working capital adjustments:		
Mandatory reserve with Central Bank of Bahrain	915	-
Financing assets	(19,816)	(11,881)
Ijarah Muntahia Bittamleek	(7,909)	(5,221)
Other assets	1,524	(81)
Customers' current accounts	2,576	10,543
Other liabilities	2,526	(185)
Placements from financial institutions	15,198	6,800
Customers' investment accounts	(16,241)	(32,794)
Net cash used in operating activities	<u>(17,146)</u>	<u>(29,094)</u>
INVESTING ACTIVITIES		
Disposal of investment in real estate	333	6,121
Purchase of property and equipment	(217)	(418)
Purchase of investment securities	(35,329)	(25,290)
Proceeds from disposal of investment securities	22,117	19,059
Net cash used in investing activities	<u>(13,096)</u>	<u>(528)</u>
FINANCING ACTIVITIES		
Dividends paid	(23)	-
Net cash used in financing activities	(23)	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(30,265)</u>	<u>(29,622)</u>
Cash and cash equivalents at 1 January	100,199	89,630
CASH AND CASH EQUIVALENTS AT 31 MARCH	<u>69,934</u>	<u>60,008</u>
Cash and cash equivalents comprise of:		
Cash on hand	13,777	8,456
Balances with CBB, excluding mandatory reserve deposits	4,990	7,365
Balances with banks and other financial institutions	9,630	11,078
Placements with financial institutions with original maturities less than 90 days	41,537	33,109
	<u>69,934</u>	<u>60,008</u>