

CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the six months ended 30 June 2019

	Six months ended		Three months ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	BD'000 (reviewed)	BD'000 (reviewed)	BD'000 (reviewed)	BD'000 (reviewed)
INCOME				
Income from financing	22,614	20,808	11,082	10,286
Income from investment in Sukuk	6,125	5,347	3,147	2,757
Total income from jointly financed assets	28,739	26,155	14,229	13,043
Return on equity of investment accountholders	(15,495)	(18,033)	(7,498)	(8,850)
Group's share as Mudarib	9,612	11,484	4,377	5,718
Net return on equity of investment accountholders	(5,883)	(6,549)	(3,121)	(3,132)
Group's share of income from jointly financed assets (both as mudarib and investor)	22,856	19,606	11,108	9,911
Expense on placements from financial institutions	(2,180)	(1,003)	(1,190)	(725)
Expense on placements from non-financial institutions and individuals	(1,963)	(265)	(1,412)	(171)
Expense on borrowings from financial institutions	(1,591)	(1,812)	(721)	(810)
Fee and commission income	3,935	3,538	2,067	1,740
Income from investment securities	642	206	26	113
Income from investment in real estate	212	(343)	222	(111)
Share of results of associates, net	(146)	50	(93)	46
Other income	801	475	258	294
Total income	22,566	20,452	10,265	10,287
EXPENSES				
Staff costs	7,316	6,199	3,476	3,226
Depreciation	682	802	334	396
Other expenses	5,343	5,290	3,112	2,718
Total expenses	13,341	12,291	6,922	6,340
Profit before impairment allowances	9,225	8,161	3,343	3,947
Impairment allowance, net	(5,913)	(4,654)	(2,229)	(2,592)
PROFIT FOR THE PERIOD	3,312	3,507	1,114	1,355
BASIC AND DILUTED EARNINGS PER SHARE (fils)	3.15	3.34	1.06	1.29

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the six months ended 30 June 2019

	30 June 2019	30 June 2018
	BD'000 (reviewed)	BD'000 (reviewed)
Balance at 1 January	117,749	122,270
Impact of adopting FAS 30	-	(13,943)
Impact of adopting FAS 30 by associate	-	(350)
Balance at 1 January (Restated)	117,749	107,977
Profit for the period	3,312	3,507
Zakah approved	(179)	(265)
Donations approved	(250)	(200)
Shares allocated to staff during the period	291	198
Net movement in investments securities fair value reserve	-	(27)
Net movement in real estate fair value reserve	(915)	-
Balance at 30 June	120,008	111,190

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	30 June 2019	31 December 2018
	BD'000 (reviewed)	BD'000 (audited)
ASSETS		
Cash and balances with banks and Central Bank	57,868	65,437
Placements with financial institutions	104,532	137,450
Financing assets	577,035	580,076
Investment securities	277,920	240,053
Ijarah Muntahia Bittamleek	171,580	165,730
Ijarah rental receivables	24,435	21,141
Investment in associates	21,287	21,643
Investment in real estate	21,328	24,284
Property and equipment	13,453	13,641
Other assets	9,711	11,062
TOTAL ASSETS	1,279,149	1,280,517
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		
Liabilities		
Placements from financial institutions	146,983	114,744
Placements from non-financial institutions and individuals	165,060	36,234
Borrowings from financial institutions	75,754	96,386
Customers' current accounts	159,940	133,244
Other liabilities	14,786	25,148
Total Liabilities	562,523	405,756
Equity of Investment Accountholders	596,618	757,012
Owners' Equity		
Share capital	106,406	106,406
Treasury shares	(892)	(892)
Shares under employee share incentive scheme	(160)	(391)
Share premium	180	120
Reserves	14,474	12,506
Total Owners' Equity	120,008	117,749
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY	1,279,149	1,280,517

This condensed consolidated interim financial information was approved by the Board of Directors on 8 August 2019 and has been reviewed by KPMG.

Dr. Esam Abdulla Fakhro
Chairman

Brig. Ebrahim Abdulla Al Mahmood
Vice Chairman

Hassan Amin Jarrar
Chief Executive Officer

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2019

	Six months ended	
	30 June 2019	30 June 2018
	BD'000 (reviewed)	BD'000 (reviewed)
OPERATING ACTIVITIES		
Profit for the period	3,312	3,507
Adjustments for non-cash items:		
Depreciation	682	802
Impairment allowance, net	5,913	4,654
Amortization of gain on sale of investment in real estate	(9)	(9)
(Gain) / Loss on sale of investment in real estate	(117)	452
(Gain) / Loss on foreign exchange revaluation	(7)	15
Share of results of associates, net	146	(50)
Operating profit before changes in operating assets and liabilities	9,920	9,371
Working capital adjustments:		
Mandatory reserve with Central Bank of Bahrain	(1,020)	80
Financing assets	(1,787)	(12,356)
Ijarah Muntahia Bittamleek	(9,576)	(1,398)
Other assets	1,322	(1,215)
Customers' current accounts	26,696	18,275
Other liabilities	(10,488)	4,102
Placements from financial institutions	34,392	90,022
Placements from non-financial institutions and individuals	128,826	-
Equity of investment accountholders	(160,394)	(60,783)
Net cash from operating activities	17,891	46,098
INVESTING ACTIVITIES		
Disposal of investment in real estate	2,158	2,642
Purchase of property and equipment	(494)	(348)
Purchase of investment securities	(64,237)	(67,823)
Proceeds from disposal of investment securities	25,962	80,361
Net cash (used in) / from investing activities	(36,611)	14,832
FINANCING ACTIVITIES		
Borrowings from financial institutions	(20,632)	(63,486)
Dividends paid	(3)	(14)
Net cash used in financing activities	(20,635)	(63,500)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(39,355)	(2,570)
Cash and cash equivalents at 1 January	163,116	112,794
CASH AND CASH EQUIVALENTS AT 30 JUNE	123,761	110,224
Cash and cash equivalents comprise of:		
Cash on hand	10,727	10,923
Balances with CBB, excluding mandatory reserve deposits	223	1,100
Balances with banks and other financial institutions excluding restricted balances	8,279	9,149
Placements with financial institutions with original maturities less than 90 days	104,532	89,052
	123,761	110,224