

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2019

	2019	2018
	BD'000 (audited)	BD'000 (audited)
INCOME		
Income from financing	45,464	43,110
Income from investment in Sukuk	11,932	10,829
Total income from jointly financed assets	57,396	53,939
Return on equity of investment accountholders	(33,071)	(40,440)
Group's share as Mudarib	23,001	27,223
Net return on equity of investment accountholders	(10,070)	(13,217)
Group's share of income from jointly financed assets (both as mudarib and investor)	47,326	40,722
Expense on placements from financial institutions	(4,315)	(2,043)
Expense on placements from non-financial institutions and individuals	(5,944)	(779)
Expense on borrowings from financial institutions	(2,386)	(4,034)
Fee and commission income, net	5,916	5,394
Income from investment securities	613	216
Income from investment in real estate	(274)	(556)
Share of results of associates, net	(133)	86
Other income	1,491	4,372
Total income	42,294	43,378
EXPENSES		
Staff costs	14,119	12,588
Depreciation	1,353	1,473
Other expenses	9,610	9,041
Total expenses	25,082	23,102
Profit before impairment allowances	17,212	20,276
Impairment allowance, net	(10,998)	(8,895)
PROFIT FOR THE YEAR	6,214	11,381
BASIC AND DILUTED EARNINGS PER SHARE (fls)	5.91	10.83

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the year ended 31 December 2019

	2019	2018
	BD'000 (audited)	BD'000 (audited)
Balance at 1 January	117,749	122,270
Impact of adopting FAS 30	-	(13,943)
Impact of adopting FAS 30 by associate	-	(350)
Restated balance at 1 January	117,749	107,977
Profit for the year	6,214	11,381
Zakah approved	(179)	(265)
Donations approved	(250)	(200)
Shares allocated to staff during the year	291	198
Purchase of treasury shares	(121)	-
Net movement in investment securities fair value reserve	-	(27)
Net movement in real estate fair value reserve	(2,781)	(1,315)
Balance at 31 December	120,923	117,749

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	2019	2018
	BD'000 (audited)	BD'000 (audited)
ASSETS		
Cash and balances with banks and Central Bank	61,629	65,437
Placements with financial institutions	76,068	137,450
Financing assets	574,851	580,076
Investment securities	246,213	240,053
Ijarah Muntahia Bittamleek	179,857	165,730
Ijarah rental receivables	24,546	21,141
Investment in associates	18,750	21,643
Investment in real estate	18,756	24,284
Property and equipment	13,591	13,641
Other assets	9,299	11,062
TOTAL ASSETS	1,223,560	1,280,517
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		
Liabilities		
Placements from financial institutions	188,551	114,744
Placements from non-financial institutions and individuals	253,610	36,234
Borrowings from financial institutions	29,566	96,386
Customers' current accounts	181,692	133,244
Other liabilities	21,516	25,148
Total Liabilities	674,935	405,756
Equity of Investment Accountholders	427,702	757,012
Owners' Equity		
Share capital	106,406	106,406
Treasury shares	(892)	(892)
Shares under employee share incentive scheme	(281)	(391)
Share premium	180	120
Reserves	15,510	12,506
Total Owners' Equity	120,923	117,749
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY	1,223,560	1,280,517

The consolidated financial statements were approved by the Board of Directors on 11 February 2020 and has been audited by KPMG.

Dr. Esam Abdulla Fakhro
Chairman

Khalid Yousif Abdul Rahman
Vice Chairman

Hassan Amin Jarrar
Chief Executive Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	2019	2018
	BD'000 (audited)	BD'000 (audited)
OPERATING ACTIVITIES		
Profit for the year	6,214	11,381
Adjustments for non-cash items:		
Depreciation	1,353	1,473
Impairment allowance, net	10,998	8,895
Impairment on investment in real estate	484	204
(Gain) / Loss on sale of investment in real estate	(63)	531
(Gain) / Loss on foreign exchange revaluation	(5)	29
Recoveries from written off accounts	-	(3,472)
Share of results of associates, net	133	(86)
Operating profit before changes in operating assets and liabilities	19,114	18,955
Working capital adjustments:		
Mandatory reserve with Central Bank of Bahrain	(410)	100
Financing assets	(2,061)	(34,485)
Ijarah Muntahia Bittamleek	(18,780)	(8,359)
Other assets	1,565	(693)
Customers' current accounts	48,448	1,578
Other liabilities	(3,744)	11,729
Placements from financial institutions	75,960	44,719
Placements from non-financial institutions and individuals	217,376	7,255
Equity of investment accountholders	(329,310)	(7,765)
Net cash from operating activities	8,158	33,034
INVESTING ACTIVITIES		
Disposal of investment in real estate	2,308	3,480
Redemption of investment in associates	887	-
Purchase of investment securities	(36,059)	(75,590)
Purchase of property and equipment	(1,303)	(844)
Proceeds from disposal of investment securities	29,511	95,504
Net cash (used in) / from investing activities	(4,656)	22,550
FINANCING ACTIVITIES		
Purchase of treasury shares	(121)	-
Repayment of borrowings from financial institutions	(66,820)	(5,190)
Dividends paid	(7)	(72)
Net cash used in financing activities	(66,948)	(5,262)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(63,446)	50,322
Cash and cash equivalents at 1 January	163,116	112,794
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	99,670	163,116
Cash and cash equivalents comprise of:		
Cash on hand	16,221	15,318
Balances with CBB, excluding mandatory reserve deposits	465	242
Balances with banks and other financial institutions excluding restricted balances	6,916	10,106
Placements with financial institutions with original maturities less than 90 days	76,068	137,450
	99,670	163,116