

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2018

	31 December 2018	31 December 2017
	BD'000 (audited)	BD'000 (audited)
INCOME		
Income from financing	43,110	40,507
Income from investment in Sukuk	10,829	6,808
Total income from jointly financed assets	53,939	47,315
Return on equity of investment accountholders	(41,162)	(36,010)
Group's share as Mudarib	27,223	24,646
Net return on equity of investment accountholders	(13,939)	(11,364)
Group's share of income from jointly financed assets (both as mudarib and investor)	40,000	35,951
Expense on placements from financial institutions	(2,043)	(1,018)
Expense on placements from non-financial institutions and individuals	(57)	-
Expense on borrowings from financial institutions	(4,034)	(2,032)
Fee and commission income	7,547	7,642
Income from investment securities	216	513
Income from investment in real estate	(556)	213
Share of results of associates, net	86	(1,103)
Other income	4,372	2,740
Total income	45,531	42,906
EXPENSES		
Staff costs	12,588	12,611
Depreciation	1,473	1,570
Other expenses	11,194	12,387
Total expenses	25,255	26,568
Profit before impairment allowances	20,276	16,338
Impairment allowance, net	(8,895)	(6,197)
PROFIT FOR THE YEAR	11,381	10,141
BASIC AND DILUTED EARNINGS PER SHARE (fils)	10.83	9.65

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the year ended 31 December 2018

	31 December 2018	31 December 2017
	BD'000 (audited)	BD'000 (audited)
Balance at 1 January	122,270	116,472
Impact of adopting FAS 30	(13,943)	-
Impact of adopting FAS 30 by associate	(350)	-
Balance at 1 January (restated)	107,977	116,472
Profit for the year	11,381	10,141
Dividends declared for 2016	-	(5,051)
Transfer to zakah fund	(265)	(137)
Transfer to charity fund	(200)	-
Purchase of treasury shares	-	(301)
Shares allocated during the year	198	148
Net movement in investment securities fair value reserve	(27)	214
Net movement in real estate fair value reserve	(1,315)	784
Balance at 31 December	117,749	122,270

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	31 December 2018	31 December 2017
	BD'000 (audited)	BD'000 (audited)
ASSETS		
Cash and balances with banks and Central Bank	65,437	69,666
Placements with financial institutions	137,450	80,845
Financing assets	578,953	561,822
Investment securities	240,053	258,399
Ijarah Muntahia Bittamleek	165,730	164,397
Ijarah rental receivables	21,141	14,483
Investment in associates	21,643	23,739
Investment in real estate	24,284	29,831
Property and equipment	13,641	14,270
Other assets	11,062	11,195
TOTAL ASSETS	1,279,394	1,228,647
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		
Liabilities		
Placements from financial institutions	114,744	67,872
Placements from non-financial institutions and individuals	7,255	-
Borrowings from financial institutions	96,386	101,576
Customers' current accounts	133,244	131,666
Other liabilities	24,025	11,507
Total Liabilities	375,654	312,621
Equity of Investment Accountholders	785,991	793,756
Owners' Equity		
Share capital	106,406	101,339
Treasury shares	(892)	(864)
Shares under employee share incentive scheme	(391)	(498)
Share premium	120	98
Reserves	12,506	22,195
Total Owners' Equity	117,749	122,270
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY	1,279,394	1,228,647

This consolidated financial information was approved by the Board of Directors on 24 February 2019 and was audited by KPMG.

Dr. Esam Abdulla Fakhro
Chairman

Brig. Ebrahim Abdulla Al Mahmood
Vice Chairman

Hassan Amin Jarrar
Chief Executive Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

	31 December 2018	31 December 2017
	BD'000 (audited)	BD'000 (audited)
OPERATING ACTIVITIES		
Profit for the year	11,381	10,141
Adjustments for non-cash items:		
Depreciation	1,473	1,570
Impairment allowance, net	8,895	6,197
Loss on sale of investment in associates	-	83
Impairment on investment in real estate	204	119
Loss on sale of investment in real estate	531	39
Gain on sale of investment securities	-	(3)
Gain on foreign exchange revaluation	29	-
Recoveries from written off accounts	(3,472)	-
Share of results of associates, net	(86)	1,103
Operating profit before changes in operating assets and liabilities	18,955	19,249
Working capital adjustments:		
Mandatory reserve with Central Bank of Bahrain	100	(1,440)
Financing assets	(34,485)	(57,605)
Ijarah Muntahia Bittamleek	(8,359)	(18,808)
Other assets	(693)	739
Customers' current accounts	1,578	(800)
Other liabilities	11,729	(3,596)
Placements from financial institutions	44,719	(24,582)
Placements from non-financial institutions and individuals	7,255	-
Equity of investment accountholders	(7,765)	139,440
Net cash from operating activities	33,034	52,597
INVESTING ACTIVITIES		
Capitalized expenditure of investment in real estate	-	(28)
Disposal of investment in real estate	3,480	314
Disposal of investment in associates	-	1,348
Purchase of investment securities	(75,590)	(119,546)
Purchase of property and equipment	(845)	(1,193)
Disposal of property and equipment	1	-
Proceeds from disposal of investment securities	95,504	3,538
Net cash from / (used in) investing activities	22,550	(115,567)
FINANCING ACTIVITIES		
Purchase of treasury shares	-	(301)
(Repayment) / drawdown of borrowings from financial institutions	(5,190)	90,156
Dividends paid	(72)	(4,827)
Net cash (used in) / from financing activities	(5,262)	85,028
NET INCREASE IN CASH AND CASH EQUIVALENTS	50,322	22,058
Cash and cash equivalents at 1 January	112,794	90,736
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	163,116	112,794
Cash and cash equivalents comprise of:		
Cash on hand	15,318	13,042
Balances with CBB, excluding mandatory reserve deposits	242	3,654
Balances with banks and other financial institutions excluding restricted balances	10,106	15,253
Placements with financial institutions with original maturities less than 90 days	137,450	80,845
	163,116	112,794