

CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the nine months ended 30 September 2019

	Nine months ended		Three months ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
	BD'000 (reviewed)	BD'000 (reviewed)	BD'000 (reviewed)	BD'000 (reviewed)
INCOME				
Income from financing	33,887	31,857	11,273	11,049
Income from investment in Sukuk	9,057	8,040	2,932	2,693
Total income from jointly financed assets	42,944	39,897	14,205	13,742
Return on equity of investment accountholders	(21,513)	(28,436)	(6,018)	(10,403)
Group's share as Mudarib	13,099	18,849	3,487	7,365
Net return on equity of investment accountholders	(8,414)	(9,587)	(2,531)	(3,038)
Group's share of income from jointly financed assets (both as mudarib and investor)	34,530	30,310	11,674	10,704
Expense on placements from financial institutions	(3,322)	(1,375)	(1,142)	(372)
Expense on placements from non-financial institutions and individuals	(3,679)	(475)	(1,716)	(210)
Expense on borrowings from financial institutions	(2,051)	(3,158)	(460)	(1,346)
Fee and commission income	6,075	5,477	2,140	1,939
Income from investment securities	613	206	(29)	-
Income from investment in real estate	254	(358)	42	(15)
Share of results of associates, net	(93)	36	53	(14)
Other income	1,053	689	252	214
Total income	33,380	31,352	10,814	10,900
EXPENSES				
Staff costs	10,586	9,136	3,270	2,937
Depreciation	1,017	1,207	335	405
Other expenses	8,211	8,370	2,868	3,080
Total expenses	19,814	18,713	6,473	6,422
Profit before impairment allowances	13,566	12,639	4,341	4,478
Impairment allowance, net	(8,521)	(5,766)	(2,608)	(1,112)
PROFIT FOR THE PERIOD	5,045	6,873	1,733	3,366
BASIC AND DILUTED EARNINGS PER SHARE (fls)	4.80	6.54	1.65	3.20

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the nine months ended 30 September 2019

	30 September 2019	30 September 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	5,045	6,873
Zakah approved	(179)	(265)
Donations approved	(250)	(200)
Shares allocated to staff during the period	291	198
Purchase of treasury shares	(121)	-
Net movement in investment securities fair value reserve	-	(27)
Net movement in real estate fair value reserve	(915)	(71)
Balance at 30 September	121,620	114,485

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2019

	30 September 2019	31 December 2018
	BD'000 (reviewed)	BD'000 (audited)
ASSETS		
Cash and balances with banks and Central Bank	66,521	65,437
Placements with financial institutions	67,038	137,450
Financing assets	573,373	580,076
Investment securities	253,049	240,053
Ijarah Muntahia Bittamleek	175,976	165,730
Ijarah rental receivables	31,390	21,141
Investment in associates	19,776	21,643
Investment in real estate	21,328	24,284
Property and equipment	13,473	13,641
Other assets	9,384	11,062
TOTAL ASSETS	1,231,308	1,280,517
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		
Liabilities		
Placements from financial institutions	179,486	114,744
Placements from non-financial institutions and individuals	178,832	36,234
Borrowings from financial institutions	29,585	96,386
Customers' current accounts	164,474	133,244
Other liabilities	19,237	25,148
Total Liabilities	571,614	405,756
Equity of Investment Accountholders	538,074	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	16,207	12,506
Total Owners' Equity	121,620	117,749
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY	1,231,308	1,280,517

This condensed consolidated interim financial information was approved by the Board of Directors on 4 November 2019 and has been reviewed by KPMG.

Dr. Esam Abdulla Fakhro
Chairman

Gen. Ebrahim Abdulla Al Mahmood
Vice Chairman

Hassan Amin Jarrar
Chief Executive Officer

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2019

	30 September 2019	30 September 2018
	BD'000 (reviewed)	BD'000 (reviewed)
OPERATING ACTIVITIES		
Profit for the period	5,045	6,873
Adjustments for non-cash items:		
Depreciation	1,017	1,207
Impairment allowance, net	8,521	5,766
Amortization of gain on sale of investment in real estate	(14)	(14)
(Gain) / Loss on sale of investment in real estate	(117)	519
Loss on foreign exchange revaluation	9	20
Share of results of associates, net	93	(36)
Operating profit before changes in operating assets and liabilities	14,554	14,335
Working capital adjustments:		
Mandatory reserve with Central Bank of Bahrain	205	525
Financing assets	914	(15,702)
Ijarah Muntahia Bittamleek	(21,920)	(4,297)
Other assets	1,654	(1,121)
Customers' current accounts	31,230	(602)
Other liabilities	(6,031)	2,497
Placements from financial institutions	66,895	56,681
Placements from non-financial institutions and individuals	142,598	1,052
Equity of investment accountholders	(218,938)	(67,388)
Net cash from / (used in) operating activities	11,161	(14,020)
INVESTING ACTIVITIES		
Disposal of investment in real estate	2,158	3,344
Purchase of property and equipment	(849)	(451)
Purchase of investment securities	(44,552)	(81,494)
Proceeds from disposal of investment securities	31,153	86,707
Redemption of investment in associates	887	-
Net cash (used in) / from investing activities	(11,203)	8,106
FINANCING ACTIVITIES		
Purchase of treasury shares	(121)	-
Borrowings from financial institutions	(66,801)	1,160
Dividends paid	(4)	(31)
Net cash (used in) / from financing activities	(66,926)	1,129
NET DECREASE IN CASH AND CASH EQUIVALENTS	(66,968)	(4,785)
Cash and cash equivalents at 1 January	163,116	112,794
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	96,148	108,009
Cash and cash equivalents comprise of:		
Cash on hand	16,034	10,910
Balances with CBB, excluding mandatory reserve deposits	6,155	498
Balances with banks and other financial institutions excluding restricted balances	6,921	6,270
Placements with financial institutions with original maturities less than 90 days	67,038	90,331
	96,148	108,009