



CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the nine months ended 30 September 2018

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30 September 2018 / US\$ 000's	30 September 2018 * (reviewed)	31 December 2017 (audited)	30 September 2017 (reviewed)
ASSETS			
Cash and bank balances	277,044	216,445	196,677
Placements with financial institutions	106,739	95,569	219,605
Financing assets	919,572	992,502	1,004,511
Investment securities	648,378	521,408	502,627
Assets acquired for leasing	257,907	257,806	259,825
Investment properties	526,132	616,263	482,250
Development properties	1,244,150	893,037	883,465
Equity-accounted investees	95,130	81,440	117,852
Property and equipment	92,537	117,135	122,586
Other assets	264,107	318,852	207,770
Total assets	4,431,696	4,110,457	3,997,168
LIABILITIES			
Investors' funds	25,167	39,413	38,797
Placements from financial institutions, other entities and individuals	1,119,747	858,496	894,654
Customer current accounts	160,276	189,607	158,657
Financing liabilities	260,079	365,062	283,481
Other liabilities	533,960	255,733	263,585
Total liabilities	2,099,229	1,708,311	1,639,174
Equity of investment account holders	916,490	906,353	874,793
OWNERS' EQUITY			
Share capital	975,638	975,638	975,638
Treasury shares	(89,029)	(58,417)	(65,516)
Share premium	-	3,058	5,850
Statutory reserve	102,863	105,893	95,475
Retained earnings	124,860	122,825	117,338
Investment fair value reserve	-	-	(98)
Foreign currency translation reserve	(26,713)	-	-
Share grant reserve	1,086	1,026	1,026
Total equity attributable to shareholders of the Bank	1,088,705	1,150,023	1,129,713
Non-controlling interests	327,272	345,770	353,488
Total owners' equity	1,415,977	1,495,793	1,483,201
Total liabilities, equity of investment account holders and owners' equity	4,431,696	4,110,457	3,997,168

* September 2018 results reflect the adoption of FAS 30. Prior periods have not been restated.

CONDENSED CONSOLIDATED INCOME STATEMENT for the nine months ended 30 September 2018 / US\$ 000's	Nine months ended		Three months ended	
	30 September 2018 * (reviewed)	30 September 2017 (reviewed)	30 September 2018 * (reviewed)	30 September 2017 (reviewed)
Income from investment banking activities	31,600	94,182	-	20,307
Fee and commission income	5,934	5,509	2,235	2,030
Income from placements with financial institutions	2,501	2,196	929	484
Income from financing assets and assets acquired-for-leasing	52,545	54,655	18,142	18,458
Share of profit of equity-accounted investees, net	3,373	5,541	(626)	1,528
Income from investment securities, net	26,331	12,618	11,089	3,748
Income from real estate	4,911	-	500	-
Foreign exchange gain, net	730	2,879	252	745
Income from settlement of liabilities	80,300	-	45,000	-
Other income, net	34,584	32,831	8,313	22,498
Income before return to investment account holders and finance expenses	242,809	210,411	85,834	69,798
Return to investment account holders before Group's share as Mudarib	(26,001)	(31,125)	(10,595)	(9,106)
Group's share as Mudarib	9,210	16,072	4,576	4,624
Return to investment account holders	(16,791)	(15,053)	(6,019)	(4,482)
Less: Finance expense	(41,401)	(32,200)	(15,393)	(13,135)
Total income	184,617	163,158	64,422	52,181
Staff cost	36,873	36,252	14,852	12,203
Investment advisory expenses	10,577	7,814	5,728	2,579
Other operating expenses	26,591	29,771	9,864	10,587
Total expenses	74,041	73,837	30,444	25,369
Profit before impairment allowances	110,576	89,321	33,978	26,812
Impairment allowances for the period	(9,455)	(165)	(3,756)	(3,661)
Profit from continuing operations	101,121	89,156	30,222	23,151
Discontinued operations				
Profit from operations of non-banking subsidiaries, net	3,539	1,885	1,033	2,373
PROFIT FOR THE PERIOD	104,660	91,041	31,255	25,524
Earnings per share				
Basic and diluted earnings per share (US cents)	2.91	3.55	0.87	1.04
Earnings per share - continuing operations				
Basic and diluted earnings per share (US cents)	2.81	3.48	0.84	0.94

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY for the nine months ended 30 September 2018 / US\$ 000's	Attributable to shareholders of the Bank										Non - controlling interests	Total owners' equity
	Share capital	Share premium	Treasury shares	Statutory reserve	Retained earnings	Share grant reserve	Foreign currency translation reserve	Total	Non - controlling interests	Total owners' equity		
30 September 2018 (reviewed)												
Balance at 1 January 2018 (as previously reported)	975,638	3,058	(58,417)	105,893	122,825	1,026	-	1,150,023	345,770	1,495,793		
Impact of adoption of FAS 30	-	-	-	-	(16,586)	-	-	(16,586)	(13,092)	(29,678)		
Balance at 1 January 2018 (restated)	975,638	3,058	(58,417)	105,893	106,239	1,026	-	1,133,437	332,678	1,466,115		
Profit for the period	-	-	-	-	103,438	-	-	103,438	1,222	104,660		
Total recognised income and expense	-	-	-	-	103,438	-	-	103,438	1,222	104,660		
Dividends declared	-	-	-	-	(82,412)	-	-	(82,412)	-	(82,412)		
Transfer to zakah and charity fund	-	-	-	-	(2,432)	-	-	(2,432)	(522)	(2,954)		
Derecognition on loss of control	-	-	-	-	(35)	-	-	(35)	(745)	(780)		
Issue of shares under incentive scheme	-	-	-	-	62	60	-	122	49	171		
Purchase of treasury shares	-	-	(72,311)	-	-	-	-	(72,311)	-	(72,311)		
Sale of treasury shares	-	(3,058)	41,699	(3,030)	-	-	-	35,611	-	35,611		
Foreign currency translation differences	-	-	-	-	-	-	(26,713)	(26,713)	(11,793)	(38,506)		
Non-controlling interests arising on acquisition of a subsidiary	-	-	-	-	-	-	-	-	6,383	6,383		
Balance at 30 September 2018	975,638	-	(89,029)	102,863	124,860	1,086	(26,713)	1,088,705	327,272	1,415,977		

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS for the nine months ended 30 September 2018 / US\$ 000's	30 September 2018 (reviewed)	30 September 2017 (reviewed)
OPERATING ACTIVITIES		
Profit for the period	104,660	91,041
Adjustments for:		
Income from investment banking activities	-	(82,026)
Income from investment securities	(26,331)	(12,618)
Share of profit of equity-accounted investees	(3,373)	(5,541)
Foreign exchange gain	(351)	(2,879)
Income from settlement of liabilities	(80,300)	-
Other income	(4,586)	(18,000)
Finance expense	41,401	32,200
Impairment allowances	9,455	165
Depreciation and amortisation	1,557	1,244
	42,132	3,586
Changes in:		
Placements with financial institutions (more than 3 months)	(15,465)	295
Financing assets	42,399	(33,921)
Assets acquired for leasing	(101)	(13,568)
Other assets	(25,508)	(40,953)
CBB Reserve balance	(7,972)	3,382
Investors' funds	(14,246)	(5,768)
Placements from financial, other entities and individuals	261,251	324,139
Customer current accounts	(29,331)	(34,126)
Equity of investment account holders	10,137	(147,397)
Other liabilities	(8,148)	9,407
Net cash generated from operating activities	255,148	65,076
INVESTING ACTIVITIES		
Payment for purchase of equipment, net	(1,447)	(1,091)
Purchase of investment securities	(206,548)	(161,848)
Proceeds from sale of a subsidiary	104,591	59,443
Net cash paid for acquisition of a subsidiary	(5,144)	108,694
Sale of investment securities	88,167	2,862
Dividend received	21,255	14,332
Advance for development property	(9,099)	-
Purchase of investment property	(2,652)	-
Net cash (used in) / generated from investing activities	(10,877)	22,392
FINANCING ACTIVITIES		
Financing liabilities, net	(57,477)	131,754
Finance expense paid	(33,888)	(26,331)
Dividends paid	(75,646)	(59,799)
Acquisition of additional stake in a subsidiary	-	(15,228)
Purchase of treasury shares, net	(30,776)	(69,426)
Net cash used in financing activities	(197,787)	(39,030)
Net increase in cash and cash equivalents during the period	46,484	48,438
Cash and cash equivalents at 1 January *	256,887	312,572
Cash and cash equivalents at 30 September	303,371	361,010
Cash and cash equivalents comprise: *		
Cash and bank balances (excluding CBB Reserve and restricted cash)	220,398	146,808
Placements with financial institutions (less than 3 months)	82,973	214,202
	303,371	361,010

* net of expected credit loss of US\$ 330 thousands (31 December 2017: US\$ 5 thousands)

The Board of Directors approved the condensed consolidated interim financial information on 13 November 2018, and signed on its behalf by:

H.E. Shaikh Ahmed Bin Khalifa Al-Khalifa
Vice Chairman

Hisham Alrayes
Chief Executive Officer & Board member