

Condensed interim financial information for the three months ended 31 March 2019



CONDENSED STATEMENT OF FINANCIAL POSITION as at 31 March 2019			
	Bahraini Dinar Millions		
	31 March 2019 (reviewed)	31 December 2018 (audited)	31 March 2018 (reviewed)
Assets			
Cash and balances at central banks	108.0	107.3	92.9
Treasury bills	379.5	397.1	411.4
Placement with banks and other financial institutions	236.1	359.7	71.2
Loans and advances	1,148.0	1,190.1	1,270.2
Investment securities	1,221.0	1,132.2	1,040.1
Investment in associates	62.6	51.6	48.9
Interest receivable and other assets	44.7	50.9	51.9
Property and equipment	23.0	16.6	13.5
Total assets	3,212.9	3,195.5	3,009.0
Liabilities			
Due to banks and other financial institutions	349.5	361.4	439.9
Borrowings under repurchase agreements	135.4	103.9	11.5
Customer deposits	2,212.4	2,195.6	2,102.4
Interest payable and other liabilities	47.5	43.8	34.2
Total liabilities	2,744.8	2,719.7	2,599.0
Equity			
Share capital	154.3	140.3	140.3
Shares unallocated under share incentive scheme	(1.4)	(1.5)	(1.3)
Share premium	6.3	5.0	5.0
Statutory reserve	77.1	70.1	70.1
General reserve	32.4	32.4	32.4
Other reserves and retained earnings	198.4	229.5	172.7
Total equity	468.1	475.8	419.0
Total liabilities and equity	3,212.9	3,195.5	3,009.0

CONDENSED STATEMENT OF PROFIT OR LOSS for the three months ended 31 March 2019		
	Bahraini Dinar Millions	
	Three months ended	
	31 March 2019 (reviewed)	31 March 2018 (reviewed)
Interest income	36.7	27.9
Interest expense	(12.9)	(8.3)
Net interest income	23.8	19.6
Other income	10.4	10.5
Total operating income	34.2	30.1
Staff expenses	6.6	6.7
Other expenses	3.8	3.3
Total operating expenses	10.4	10.0
From before provisions	23.6	20.1
Net impairment provision	(3.2)	(0.4)
Profit for the period	20.4	19.7
Basic and diluted earnings per share	13 fils	13 fils

CONDENSED STATEMENT OF COMPREHENSIVE INCOME for the three months ended 31 March 2019		
	Bahraini Dinar Millions	
	Three months ended	
	31 March 2019 (reviewed)	31 March 2018 (reviewed)
Profit for the period	20.4	19.7
Other comprehensive income:		
Items that are or may be reclassified to profit or loss:		
Fair value through other comprehensive income (debt instruments):		
- Net change in fair value	4.9	(10.6)
- Net amount transferred to profit or loss	(1.4)	-
Items that will not be reclassified to profit or loss:		
Fair value through other comprehensive income (equity instruments):	1.8	1.0
Total other comprehensive income for the period	5.3	(9.6)
Total comprehensive income for the period	25.7	10.2

Farouk Youssef Khalil Alnoyyed Chairman
Dr. Essam Abdulla Fakhro Deputy Chairman
Jean-Christophe Durand Chief Executive Officer

1. Significant Accounting Policies and Financial Risk Management: There have been no changes in the Bank's Significant Accounting Policies and Risk Management Framework except for the effects of adoption of IFRS 16 as described in Note 3 to this condensed interim financial information.
2. Statement of Compliance: This condensed interim financial information has been prepared in compliance with international Accounting Standard 34 "Interim Financial Reporting".
3. Dividend Income: For three months ended 31 March 2019, other income includes BHD 2.6 (31 March 2018: BHD 2.8 million) of dividends received from the Bank's investments equity securities. This income is of a seasonal nature.
4. Appropriations: At the annual ordinary general meeting and the extraordinary general meeting for the year 2018, which were held on 6 March 2019, certain appropriations and amendments were approved and collected during the period. These appropriations include BHD 35.1 million (BHD 31.7 million excluding dividends on unallocated shares under the employee share incentive scheme) for cash dividend at 25%, BHD 3.5 million for donations and contributions, a transfer of BHD 7.0 million from retained earnings to the statutory reserve and an increase in paid up capital due to a one-for-ten bonus issue through the utilisation of USD 14.0 million from the retained earnings. The authorised share capital was also increased to BHD 200.0 million from BHD 150.0 million.

Reviewed by KPMG

17 April 2019

CONDENSED STATEMENT OF CHANGES IN EQUITY for the three months ended 31 March 2019										
	Bahraini Dinar Millions									
2019 (reviewed)	Share capital	Unallocated shares	Share premium	Statutory reserve	General reserve	Other reserves and retained earnings				Total equity
						Fair value reserve	Donations & charity reserve	Retained earnings		
Balance at 31 December 2018	140.3	(1.5)	5.0	70.1	32.4	10.0	17.5	202.0		475.8
2019 appropriations:										
- Cash dividend at 25%	-	-	-	-	-	-	-	(34.7)		(34.7)
- Bonus shares issued (10%)	14.0	(0.2)	-	-	-	-	-	(13.8)		-
- Transfer to donations and charity reserve	-	-	-	-	-	-	3.5	(3.5)		-
- Transfer to statutory reserve	-	-	-	7.0	-	-	-	(7.0)		-
Balance after 2019 appropriations	154.3	(1.7)	5.0	77.1	32.4	10.0	21.0	143.0		441.1
Shares allocated during the period	-	0.3	1.3	-	-	-	-	-		1.6
Comprehensive income for the period:										
Profit for the period	-	-	-	-	-	-	-	20.4		20.4
Other comprehensive income	-	-	-	-	-	5.3	-	-		5.3
Total comprehensive income for the period										25.7
Utilisation of donations and charity reserve	-	-	-	-	-	-	(0.3)	-		(0.3)
Balance at 31 March 2019	154.3	(1.4)	6.3	77.1	32.4	15.3	20.7	163.4		468.1

CONDENSED STATEMENT OF CHANGES IN EQUITY for the three months ended 31 March 2018										
	Bahraini Dinar Millions									
2018 (reviewed)	Share capital	Unallocated shares	Share premium	Statutory reserve	General reserve	Other reserves and retained earnings				Total equity
						Fair value reserve	Donations & charity reserve	Retained earnings		
Balance at 31 December 2017	127.5	(1.7)	4.0	63.8	32.4	26.1	18.0	179.8		447.9
Impact of adopting IFRS 9 as at 1 January 2018	-	-	-	-	-	(14.2)	-	9.9		(4.3)
Impact on adopting IFRS 9 by associates	-	-	-	-	-	-	-	(4.1)		(4.1)
Restated Balances at 1 January 2018	127.5	(1.7)	4.0	63.8	32.4	11.9	18.0	186.6		439.5
2018 appropriations:										
- Cash dividend at 25%	-	-	-	-	-	-	-	(31.5)		(31.5)
- Bonus shares issued (10%)	12.8	(0.1)	-	-	(12.8)	-	-	0.1		-
- Transfer to donations and charity reserve	-	-	-	-	-	-	3.1	(3.1)		-
- Transfer to general reserve	-	-	-	-	19.1	-	-	(19.1)		-
- Transfer to statutory reserve	-	-	-	6.3	(6.3)	-	-	-		-
Balance after 2018 appropriations	140.3	(1.8)	4.0	70.1	32.4	11.9	19.1	132.0		408.0
Shares allocated during the period	-	0.3	1.0	-	-	-	-	-		1.3
Comprehensive income for the period:										
Profit for the period	-	-	-	-	-	-	-	19.7		19.7
Other comprehensive income	-	-	-	-	-	(9.5)	-	-		(9.5)
Total comprehensive income for the period										10.2
Utilisation of donations and charity reserve	-	-	-	-	-	-	(0.5)	-		(0.5)
Balance at 31 March 2018	140.3	(1.5)	5.0	70.1	32.4	2.4	18.6	151.7		419.0

CONDENSED STATEMENT OF CASH FLOWS for the three months ended 31 March 2019		
	Bahraini Dinar Millions	
	Three months ended	
	31 March 2019 (reviewed)	31 March 2018 (reviewed)
Cash flow from operating activities		
Profit for the period	20.4	19.7
Adjustments to reconcile profit for the period to net cash from/(used in) operating activities:		
Depreciation	1.0	0.5
Net impairment provision	2.9	0.4
Share of profit of associates	(1.5)	(2.2)
Profit for the period after adjustments	22.7	18.4
Change in operating assets and liabilities:		
Balances with central banks (mandatory cash reserve):	(5.5)	5.5
Treasury bills	46.2	(11.4)
Placements with banks and other financial institutions	-	(1.2)
Loans and advances	39.2	(41.3)
Investment securities	(83.1)	0.2
Interest receivable and other assets	(2.5)	22.9
Due to banks and other financial institutions	(31.9)	54.9
Borrowings under repurchase agreements	31.5	(53.4)
Customer deposits	21.8	(62.9)
Interest payable and other liabilities	5.8	(2.4)
Net cash from/(used in) operating activities	44.1	(74.3)
Cash flow from investing activities		
Dividends received from associates	0.6	0.8
Purchase of property & equipment, net	(1.8)	(1.2)
Net cash used in investing activities	(1.2)	(0.2)
Cash flow from financing activities		
Dividends paid	(31.8)	(26.9)
Donations and charities paid	(0.3)	(0.5)
Payment of lease liabilities	(0.8)	-
Net cash used in financing activities	(32.9)	(27.4)
Net increase/(decrease) in cash and cash equivalents during the period	10.0	(101.9)
Cash and cash equivalents at 1 January	310.9	195.2
Cash and cash equivalents at 31 March	320.9	93.3

Closer to you