

Financial Results For The Six Months Ended 30th June 2024

All amounts are in BD 000's

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30 June 2024

| | 30 June 2024 (Reviewed) | 31 December 2023 (Audited) |
|--|-------------------------------|----------------------------------|
| ASSETS | | |
| Cash and bank balances | 69,410 | 116,383 |
| Placements with financial institutions | 116,254 | 124,190 |
| Investment in sukuk | 534,288 | 522,746 |
| Financing contacts | 600,459 | 548,287 |
| Investment securities | 39,198 | 38,570 |
| Investment in real estate | 69,074 | 97,787 |
| Equity accounted investees | 27,534 | 24,889 |
| Other assets | 31,187 | 26,277 |
| Property and equipment | 3,205 | 3,489 |
| Total assets | 1,490,609 | 1,502,418 |
| LIABILITIES | | |
| Placements from financial institutions | 132,579 | 237,773 |
| Placements from non-financial institutions and individuals | 326,676 | 206,518 |
| Term financing from financial institutions | 236,367 | 264,362 |
| Customers' current accounts | 179,927 | 77,880 |
| Other liabilities | 20,739 | 22,829 |
| Total liabilities | 896,288 | 809,362 |
| QUASI-EQUITY | | |
| - From financial institutions | 70,088 | 68,054 |
| - From non-financial institutions and individuals | 401,777 | 467,608 |
| Total Quasi-Equity | 471,865 | 535,662 |
| OWNERS' EQUITY | | |
| Share capital | 113,044 | 84,783 |
| Statutory reserve | 12,410 | 12,410 |
| Treasury shares | (6,254) | (6,254) |
| Investment fair value reserve | (6,642) | (7,165) |
| Retained earnings | 9,311 | 17,719 |
| Equity attributable to parent's shareholders | 121,869 | 101,493 |
| Perpetual Mudaraba (AT1) | - | 47,222 |
| Equity attributable to owners of the parent | 121,869 | 148,715 |
| Non-controlling interest | 587 | 8,679 |
| Total owners' equity | 122,456 | 157,394 |
| Total liabilities, quasi-equity and owners' equity | 1,490,609 | 1,502,418 |

CONDENSED CONSOLIDATED INCOME STATEMENT For the six-month period ended 30 June 2024

| | Six months ended 30 June 2024 (Reviewed) | Six months ended 30 June 2023 (Reviewed) | Three months ended 30 June 2024 (Reviewed) | Three months ended 30 June 2023 (Reviewed) |
|---|---|---|---|---|
| Income from financing contracts | 23,522 | 20,246 | 11,757 | 9,985 |
| Income from placements with financial institutions | 3,825 | 1,450 | 1,801 | 695 |
| Income from sukuk | 13,465 | 16,305 | 6,172 | 8,029 |
| Finance expense on placements from financial institutions, non-financial institutions and individuals | (14,814) | (14,818) | (7,538) | (8,332) |
| Finance expense on term financing from financial institutions | (8,162) | (4,870) | (3,959) | (2,578) |
| Net income from jointly financed assets | 17,836 | 18,313 | 8,233 | 7,799 |
| Income from investment securities | 790 | 1,254 | 486 | 699 |
| Income from investment in real estate, net | 1,593 | 1,980 | 36 | - |
| Share of loss from equity accounted investees | (283) | (440) | (41) | (221) |
| Fees and other income, net | 4,640 | 3,993 | 2,960 | 3,701 |
| Total income | 24,576 | 25,100 | 11,674 | 11,978 |
| Staff cost | 3,604 | 3,462 | 1,765 | 1,661 |
| Other operating expenses | 3,787 | 3,342 | 1,755 | 1,683 |
| Total expense | 7,391 | 6,804 | 3,520 | 3,344 |
| Profit before impairment allowances and attribution to quasi equity | 17,185 | 18,296 | 8,154 | 8,634 |
| Allowances for impairment and expected credit losses, net | (1,685) | (1,021) | (896) | (443) |
| Profit before attribution to quasi-equity | 15,500 | 17,275 | 7,258 | 8,191 |
| Less: Net profit attributable to quasi-equity | (10,362) | (10,324) | (5,128) | (4,992) |
| Profit for the period | 5,138 | 6,951 | 2,130 | 3,199 |
| Attributable to: | | | | |
| Shareholders of the parent | 5,138 | 6,951 | 2,130 | 3,199 |
| Non-controlling interest | - | - | - | - |
| | 5,138 | 6,951 | 2,130 | 3,199 |
| Earnings per share | | | | |
| Basic and diluted earnings per share (fls) | 5.41 | 4.94 | 2.24 | 0.25 |

CONDENSED STATEMENT OF CASH FLOWS For the six-month period ended 30 June 2024

| | Six months ended 30 June 2024 (Reviewed) | Six months ended 30 June 2023 (Reviewed) |
|---|---|---|
| OPERATING ACTIVITIES | | |
| Profit for the period | 5,138 | 6,951 |
| Adjustments: | | |
| Depreciation | 885 | 839 |
| Finance expenses on medium term financing | 8,162 | 4,870 |
| Allowances for impairment and expected credit losses, net | 1,685 | 1,021 |
| Amortization of premium/discourt | 902 | 1,231 |
| Fair value gains | (451) | (451) |
| Foreign exchange revaluation | (529) | (296) |
| Amortization of right-of-use asset | 192 | 216 |
| Investment securities income | (258) | (258) |
| Gain on sale of investment in sukuk | (782) | (1,399) |
| Gain on sale of investment in real estate | (1,820) | - |
| Share of results of associates, net | 283 | 440 |
| Operating profit before changes in operating assets and liabilities | 13,407 | 13,587 |
| Mandatory reserve with central bank of Bahrain | (1,889) | (3,125) |
| Financing contracts | (52,239) | (46,383) |
| Other assets | (4,909) | (2,342) |
| Customers' current accounts | 102,047 | 35,588 |
| Other liabilities | (6,856) | (17,720) |
| Placements from financial institutions | (105,193) | 47,587 |
| Placements from non-financial institutions and individuals | 120,158 | 25,458 |
| Quasi Equity | (63,983) | (127,022) |
| Net cash generated from / (used in) operating activities | 1,443 | (74,372) |
| INVESTING ACTIVITIES | | |
| Purchase of sukuk | (69,601) | (128,001) |
| Proceeds from sale/redemptions of sukuk | 57,364 | 123,209 |
| Proceeds from disposal of investment in real estate | 21,800 | 56 |
| Proceeds from disposal / redemption of investment securities | 256 | 955 |
| Purchase of property and equipment, net | (164) | (282) |
| Net movement in margin call | 5,721 | 1,406 |
| Net cash generated from / (used in) investing activities | 15,376 | (2,657) |
| FINANCING ACTIVITIES | | |
| Drawdown of term borrowings, net | (27,995) | 45,347 |
| Finance expenses paid on term borrowings | (8,162) | (4,870) |
| Redemption of AT 1 Capital | (31,739) | - |
| Profit distribution on AT 1 Capital | - | (3,000) |
| Net cash (used in) / generated from financing activities | (67,896) | 37,477 |
| Net decrease in cash and cash equivalents | (51,077) | (39,552) |
| Cash and cash equivalents at beginning of the period | 202,371 | 174,338 |
| Cash and cash equivalents at end of the period | 151,294 | 134,786 |
| Cash and cash equivalents comprises: | | |
| Cash and bank balances (excluding CBB reserve) | 39,129 | 98,155 |
| Placement with financial institutions with original maturities of 90 days or less (excluding margin call account) | 112,165 | 36,631 |
| | 151,294 | 134,786 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY for the six-month period ended 30 June 2024

| 30 June 2024 (Reviewed) | Equity attributable to parent's shareholders | | | | | | Perpetual mudaraba (AT1) | Non-controlling interest | Total Owners' Equity |
|--|--|-------------------|-----------------|-------------------------------|-------------------|----------------|--------------------------|--------------------------|----------------------|
| | Share capital | Statutory reserve | Treasury shares | Investment fair value reserve | Retained earnings | Total | | | |
| Balance at 1 January 2024 | 84,783 | 12,410 | (6,254) | (7,165) | 17,719 | 101,493 | 47,222 | 8,679 | 157,394 |
| Profit for the period | - | - | - | - | 5,138 | 5,138 | - | - | 5,138 |
| Other comprehensive income | - | - | - | 523 | - | 523 | - | - | 523 |
| Total comprehensive income for the period | - | - | - | 523 | 5,138 | 5,661 | - | - | 5,661 |
| Transfer to zakah fund | - | - | - | - | (768) | (768) | - | - | (768) |
| Redemption of AT1 | - | - | - | - | (12,778) | (12,778) | (18,961) | - | (31,739) |
| Conversion of AT1 | 28,261 | - | - | - | - | 28,261 | (28,261) | - | - |
| Sale of shares in subsidiary | - | - | - | - | - | - | - | (8,092) | (8,092) |
| Balance at 30 June 2024 | 113,044 | 12,410 | (6,254) | (6,642) | 9,311 | 121,869 | - | 587 | 122,456 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY for the six-month period ended 30 June 2023

| 30 June 2023 (Reviewed) | Equity attributable to parent's shareholders | | | | | | Perpetual mudaraba (AT1) | Non-controlling interest | Total Owners' Equity |
|---|--|-------------------|-----------------|-------------------------------|-------------------|----------------|--------------------------|--------------------------|----------------------|
| | Share capital | Statutory reserve | Treasury shares | Investment fair value reserve | Retained earnings | Total | | | |
| Balance at 1 January 2023 | 84,783 | 11,510 | (6,254) | (5,790) | 16,171 | 100,420 | 47,222 | 10,128 | 157,770 |
| Net fair value changes | - | - | - | (1,215) | - | (1,215) | - | - | (1,215) |
| Profit for the period | - | - | - | - | 6,951 | 6,951 | - | - | 6,951 |
| Total recognised income and expense for the period | - | - | - | (1,215) | 6,951 | 5,736 | - | - | 5,736 |
| Transfer to Zakah fund | - | - | - | - | (555) | (555) | - | - | (555) |
| Profit distribution on perpetual Mudaraba | - | - | - | - | (3,000) | (3,000) | - | - | (3,000) |
| Loss of control | - | - | - | - | - | - | - | (1,493) | (1,493) |
| Balance at 30 June 2023 | 84,783 | 11,510 | (6,254) | (7,005) | 19,567 | 102,601 | 47,222 | 8,635 | 158,458 |