

IBDAR BANK B.S.C. (c)

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION**

30 June 2017

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2017

US\$ 000's

	note	30 June 2017 (reviewed)	31 December 2016 (audited)
ASSETS			
Cash and balances with banks		5,587	5,151
Placements with financial institutions		4,021	7,902
Investment in sukuk	6	101,080	70,881
Financing receivables		6,793	6,915
Receivable from Ijarah investors		6,029	15,185
Investment in equity securities	7	92,419	87,680
Assets acquired for leasing	8	-	68,602
Investment in real estate	9	97,974	107,264
Equity-accounted investees		426	4,742
Other assets	10	34,080	13,603
Total assets		348,409	387,925
LIABILITIES			
Placements from financial institutions		3,001	6,503
Financing liabilities	11	83,380	73,273
Liabilities related to assets acquired for leasing	8	-	52,181
Other liabilities	12	19,050	13,963
Total liabilities		105,431	145,920
OWNERS' EQUITY			
Share capital		233,000	300,000
Statutory reserve		676	676
Retained earnings / (accumulated losses)		1,658	(66,634)
Property fair value reserve		302	610
General reserve		4,618	4,618
Equity attributable to shareholders of Bank		240,254	239,270
Non-controlling interests		2,724	2,735
Total owners' equity		242,978	242,005
Total liabilities and owner's equity		348,409	387,925

The Board of Directors approved the condensed consolidated interim financial information consisting of pages 2 to 15 on 9 August 2017.



Tareq Sadeq
Chairman



Abdulkarim Bucheery
Vice chairman



Aymen Sejiny
Chief Executive Officer

The accompanying notes 1 to 19 form an integral part of these condensed consolidated interim financial information.

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CONDENSED CONSOLIDATED INCOME STATEMENT
for the six months ended 30 June 2017

US\$ 000's

	note	Six months ended		Three months ended	
		30 June 2017 (reviewed)	30 June 2016 (reviewed)	30 June 2017 (reviewed)	30 June 2016 (reviewed)
INCOME					
Income from investment banking services		497	-	56	-
Income from sukuk	13	3,233	3,202	2,055	1,628
Income from investment in equity securities	14	1,768	(421)	1,768	(497)
Income from assets acquired for leasing, net	8	776	3,983	-	1,972
Gain on sale of assets acquired for leasing		2,116	-	2,116	-
Finance income		438	566	265	280
Share of profit of equity-accounted investees		71	191	35	103
Gain on sale of equity-accounted investee		300	-	300	-
Gain on sale of investment in real estate		623	-	-	-
Other income		565	2,318	(23)	614
Total income		10,387	9,839	6,572	4,100

EXPENSES					
Staff cost		3,333	2,650	1,833	1,623
Finance expense on placements and financing liabilities		492	594	305	305
Depreciation and amortization		45	97	23	45
Other operating expenses		2,590	1,918	1,474	1,012
Total operating expenses		6,460	5,259	3,635	2,985

Profit before fair value changes and impairment allowances					
		3,927	4,580	2,937	1,115
Net fair value changes on investment securities		184	(948)	92	(996)
Impairment allowances:					
- Financing receivables		81	(8,956)	-	(8,994)
- Investment in sukuk		(500)	(1,514)	(500)	(1,514)
- Investment in equity securities		(2,367)	(26,572)	(2,367)	(26,572)
- Investment in real estate		-	(1,216)	-	(1,216)
- Equity accounted investees		-	(2,100)	-	(2,100)
PROFIT / (LOSS) FOR THE PERIOD		1,325	(36,726)	162	(40,277)

Attributable to:					
Shareholders of Bank		1,292	(37,807)	157	(40,817)
Non-controlling interests		33	1,081	5	540
		1,325	(36,726)	162	(40,277)



Tareq Sadeq
Chairman



Abdulkarim Bucheery
Vice chairman



Ayman Sejiny
Chief Executive Officer

The condensed consolidated interim financial information consists of pages 2 to 15.

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US\$ 000's

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
for the six months ended 30 June 2017

	Equity attributable to shareholders of Bank							Non-controlling interests	Total owners' equity
	Share capital	Statutory reserve	(Accumulated losses) / retained earnings	Investment fair value reserve	Property fair value reserve	General reserve	Total		
30 June 2017 (reviewed)									
Balance at 1 January 2017	300,000	676	(66,634)	-	610	4,618	239,270	2,735	242,005
Profit for the period	-	-	1,292	-	-	-	1,292	33	1,325
Fair value changes, net	-	-	-	-	(308)	-	(308)	-	(308)
Total recognised income and expense for the period	-	-	1,292	-	(308)	-	984	33	1,017
Non-controlling interests relating to subsidiaries	-	-	-	-	-	-	-	(44)	(44)
Adjustment of losses (note 5)	(67,000)	-	67,000	-	-	-	-	-	-
Balance at 30 June 2017	233,000	676	1,658	-	302	4,618	240,254	2,724	242,978

30 June 2017 (reviewed)
 Balance at 1 January 2017
 Profit for the period
 Fair value changes, net
Total recognised income and expense for the period
 Non-controlling interests relating to subsidiaries
 Adjustment of losses (note 5)
Balance at 30 June 2017

	Equity attributable to shareholders of Bank							Non-controlling interests	Total owners' equity
	Share capital	Statutory reserve	Accumulated losses	Investment fair value reserve	Property fair value reserve	General reserve	Total		
30 June 2016 (reviewed)									
Balance as at 1 January 2016	300,000	676	(17,249)	(107)	1,826	4,618	289,764	13,816	303,580
(Loss) / profit for the period	-	-	(37,807)	-	-	-	(37,807)	1,081	(36,726)
Total recognised income and expense for the period	-	-	(37,807)	-	-	-	(37,807)	1,081	(36,726)
Non-controlling interests relating to subsidiaries	-	-	-	-	-	-	-	(602)	(602)
Balance at 30 June 2016	300,000	676	(55,056)	(107)	1,826	4,618	251,957	14,295	266,252

30 June 2016 (reviewed)
 Balance as at 1 January 2016
 (Loss) / profit for the period
Total recognised income and expense for the period
 Non-controlling interests relating to subsidiaries
Balance at 30 June 2016

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the six months ended 30 June 2017

US\$ 000's

	Six months ended	
	30 June 2017 (reviewed)	30 June 2016 (reviewed)
OPERATING ACTIVITIES		
Profit / (loss) for the period	1,325	(36,726)
Adjustment for:		
Depreciation and amortization	45	97
Fair value changes on investment securities, net	(184)	949
Share of profit of equity-accounted investees	(71)	(191)
Gain on sale of equity accounted investee	(300)	-
Gain on sale of investment in sukuk	(1,463)	(736)
Gain on sale of investment in real estate	(623)	-
Proceeds from sale of equipment	-	(17)
Impairment allowance	2,786	40,358
Excess legal provision written back	-	(1,597)
Other income	-	(207)
Amortisation of discount, net	37	56
Operating profit before changes in operating assets and liabilities	1,552	1,986
Changes in operating assets and liabilities:		
Financing receivables	203	148
Receivables from ijarah investors	9,155	-
Other assets	2,877	(1,520)
Other liabilities	5,146	(4,122)
Net cash generated from / (used in) operating activities	18,933	(3,508)
INVESTING ACTIVITIES		
Purchase of investment securities	(141,348)	(81,187)
Proceeds from sale of investment securities	105,156	71,417
Purchase of investment in real estate	(1,584)	-
Proceeds from sale of investment in real estate	11,139	-
Proceeds from sale of equity-accounted investees	4,650	-
Proceeds from sale of equipment	-	17
Payments for purchase of equipment	(21)	(3)
Distribution received from equity-accounted investees	-	5,461
Assets acquired for leasing	(6,929)	(627)
Net cash used in investing activities	(28,937)	(4,922)
FINANCING ACTIVITIES		
Placements from financial institutions	(3,503)	(4,163)
Financing liabilities	10,107	9,278
Non-controlling interests	(44)	-
Non-controlling interests related to assets acquired for leasing	-	(603)
Net cash generated from financing activities	6,560	4,512
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,444)	(3,918)
Cash and cash equivalents at 1 January	13,052	15,221
CASH AND CASH EQUIVALENTS AT 30 June	9,608	11,303
CASH AND CASH EQUIVALENTS comprise:		
Cash and bank balances	5,587	8,302
Placements with financial institutions (with original maturity of 90 days or less)	4,021	3,001
	9,608	11,303

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