

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31 December 2019 / US\$ 000's	31 December 2019	31 December 2018
ASSETS		
Cash and bank balances	362,345	341,567
Treasury portfolio	1,588,661	818,000
Financing assets	1,272,777	1,208,947
Real estate investments	1,806,009	1,840,010
Proprietary investments	268,175	234,012
Co-investments	96,507	77,644
Assets held-for-sale	101,213	147,141
Receivables and prepayments	424,146	229,142
Property and equipment	25,440	92,902
Total assets	5,945,273	4,989,365
LIABILITIES		
Clients' funds	70,858	46,639
Placements from financial, non-financial institutions and individuals	2,447,249	1,628,389
Customer current accounts	147,487	177,906
Term financing	279,418	256,137
Liabilities directly associated with assets held-for-sale	39,936	42,749
Other liabilities	448,909	517,857
Total liabilities	3,433,857	2,669,677
Equity of investment account holders	1,218,545	896,910
OWNERS' EQUITY		
Share capital	975,638	975,638
Treasury shares	(73,419)	(85,424)
Statutory reserve	125,312	117,301
Fair value reserve	(4,831)	(4,725)
Foreign currency translation reserve	(29,425)	(43,380)
Retained earnings	10,070	98,318
Share grant reserve	1,198	1,086
Total equity attributable to shareholders of the Bank	1,004,543	1,058,814
Non-controlling interests	262,932	323,408
Non-controlling interests held-for-sale	25,396	40,556
Total owners' equity	1,292,871	1,422,778
Total liabilities, equity of investment account holders, owners' equity and non-controlling interest	5,945,273	4,989,365

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY for the year ended 31 December 2019 / (US\$ 000's)	Attributable to shareholders of the Bank								Non-controlling interests	Non-controlling interests held-for-sale	Total owners' equity
	Share capital	Treasury shares	Statutory reserve	Investment fair value reserve	Foreign currency translation reserve	Retained earnings	Share grant reserve	Total			
Balance at 1 January 2019*	975,638	(85,424)	117,301	(4,725)	(43,380)	98,318	1,086	1,058,814	323,408	40,556	1,422,778
Profit for the year	-	-	-	-	-	80,108	-	80,108	(12,917)	-	67,191
Fair value changes during the year	-	-	-	(106)	-	-	-	(106)	-	-	(106)
Total recognised income and expense	-	-	-	(106)	-	80,108	-	80,002	(12,917)	-	67,085
Bonus shares issued	55,000	-	-	-	-	(55,000)	-	-	-	-	-
Extinguishment of treasury shares differences	(55,000)	50,549	-	-	-	4,451	-	-	-	-	-
Dividends declared	-	-	-	-	-	(30,000)	-	(30,000)	-	-	(30,000)
Transfer to zakah and charity fund	-	-	-	-	-	(2,219)	-	(2,219)	(223)	-	(2,442)
Issue of shares under incentive scheme	-	-	-	-	-	-	112	112	-	-	112
Purchase of treasury shares	-	(183,174)	-	-	-	-	-	(183,174)	-	-	(183,174)
Sale of treasury shares	-	176,669	-	-	-	(26,596)	-	150,073	-	-	150,073
Treasury shares acquired for share incentive scheme	-	(32,039)	-	-	-	-	-	(32,039)	-	-	(32,039)
Acquisition of NCI without a change in control	-	-	-	-	-	(51,412)	-	(51,412)	(40,588)	-	(92,000)
Transfer to statutory reserve	-	-	8,011	-	-	(8,011)	-	-	-	-	-
Foreign currency translation difference	-	-	-	-	13,955	-	-	13,955	(6,748)	-	7,207
Disposal of subsidiary held-for-sale	-	-	-	-	-	431	-	431	-	(15,160)	(14,729)
Balance at 31 December 2019	975,638	(73,419)	125,312	(4,831)	(29,425)	10,070	1,198	1,004,543	262,932	25,396	1,292,871

* The Bank used to recognise gain / (loss) on sale of treasury shares in the statutory reserve. The Bank has regrouped the losses on sale of treasury shares of US\$ 24,818 thousand for the year ended 31 December 2018 to retained earnings.

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY for the year ended 31 December 2019 / (US\$ 000's)	Attributable to shareholders of the Bank								Non-controlling interests	Non-controlling interests held-for-sale	Total owners' equity
	Share Capital	Share premium	Treasury shares	Statutory reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Share grant reserve			
Balance at 1 January 2018	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)
Impact of adoption of FAS 30 by associates	-	-	-	-	-	-	(965)	-	(965)	-	(965)
Balance at 1 January 2018 (restated)	975,638	3,058	(58,417)	105,893	-	-	105,274	1,026	1,132,472	332,678	1,465,150
Profit for the year	-	-	-	-	-	-	114,076	-	114,076	973	115,049
Foreign currency translation differences	-	-	-	-	-	(43,380)	-	-	(43,380)	(15,331)	(58,711)
Fair value changes during the year	-	-	-	-	(4,725)	-	-	-	(4,725)	-	(4,725)
Total recognised income and expense	-	-	-	-	(4,725)	(43,380)	114,076	-	65,971	(14,358)	51,613
Dividends declared for 2017	-	-	-	-	-	-	(82,412)	-	(82,412)	-	(82,412)
Transfer to zakah and charity fund	-	-	-	-	-	-	(2,432)	-	(2,432)	(522)	(2,954)
Derecognition on loss of control	-	-	-	-	-	-	(24)	-	(24)	(804)	(828)
Issue of shares under incentive scheme	-	-	-	-	-	-	62	60	122	98	220
Transfer to statutory reserve	-	-	-	11,408	-	-	(11,408)	-	-	-	-
Purchase of treasury shares	-	-	(160,973)	-	-	-	-	-	(160,973)	-	(160,973)
Sale of treasury shares	-	(3,058)	133,966	-	-	-	(24,818)	-	106,090	-	106,090
Non-controlling interests arising on acquisition of subsidiaries	-	-	-	-	-	-	-	-	6,316	40,556	46,872
Balance at 31 December 2018	975,638	-	(85,424)	117,301	(4,725)	(43,380)	98,318	1,086	1,058,814	323,408	1,422,778

The consolidated financial statements were approved by the Board of Directors on 12 February 2020 and signed on its behalf by:

Jassim Al Sediqi
Chairman

Sh. Ahmed Bin Khalifa Al-Khalifa
Vice Chairman

Hisham Alrayes
Chief Executive Officer & Board Member

CONSOLIDATED INCOME STATEMENT for the year ended 31 December 2019 / US\$ 000's	2019	2018
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Continuing operations		
Investment banking income		
Asset management	2,880	2,572
Deal related income	92,971	40,100
	95,851	42,672
Commercial banking income		
Income from financing	83,113	70,465
Treasury and investment income	27,924	23,220
Fee and other income	15,189	7,539
Less: Return to investment account holders	(40,018)	(22,817)
Less: Finance expense	(18,418)	(23,050)
	67,790	55,357
Income from proprietary and co-investments		
Direct investment income, net	10,520	17,731
Restructuring related income	29,406	35,300
Dividend from co-investments	1,959	1,098
	41,885	54,129
Real estate income		
Development and sale	37,872	5,851
Rental and operating income	2,543	2,741
	40,415	8,592
Treasury and other income		
Finance income	24,081	1,446
Dividend and net gain on treasury investments	48,606	7,341
Income from settlement of liability	-	77,847
Other income, net	17,059	38,787
	89,746	125,420
Total income	335,687	286,170
Staff costs	50,590	53,135
Other operating expenses	51,845	64,377
Finance expense	111,330	39,534
Impairment allowances	54,264	17,614
Total expenses	268,029	174,660
Profit from continuing operations	67,658	111,510
(Loss) / profit from assets held-for-sale and discontinued operations, net	(467)	3,539
Profit for the year	67,191	115,049

Attributable to:	80,108	114,076
Shareholders of the Bank	(12,917)	973
Non-controlling interests	67,191	115,049
Earnings per share		
Basic and diluted earnings per share (US cents)	2.37	3.22
Earnings per share - continuing operations		
Basic and diluted earnings per share (US cents)	2.39	3.12

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 December 2019 / US\$ 000's	2019	2018
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OPERATING ACTIVITIES		
Profit for the year	67,191	115,049
Adjustments for:		
Income from deal related income	(92,971)	(8,500)
Income from commercial banking	(22,133)	(20,686)
Income from proprietary investments	(12,344)	(8,859)
Income from dividend and gain / (loss) on treasury investments	(48,606)	(7,341)
Foreign exchange (gain) / loss	2,264	(434)
Restructuring related income	(29,406)	(113,147)
Other income	-	(6,902)
Finance expense	129,748	62,585
Impairment allowances	54,264	17,614
Depreciation and amortisation	2,173	2,099
	50,180	31,478

Changes in:		
Placements with financial institutions (original maturities of more than 3 months)	(280,706)	(168,286)
Financing assets	(108,524)	(21,209)
Other assets	(213,269)	9,458
CBB Reserve and restricted bank balance	(27,176)	(8,913)
Clients' funds	24,218	7,226
Placements from financial and non-financial institutions	818,860	769,893
Customer current accounts	(30,421)	(11,701)
Equity of investment account holders	321,635	(9,443)
Payables and accruals	(68,948)	(132,128)

Net cash generated from operating activities **485,849** 466,375

INVESTING ACTIVITIES		
Payments for purchase of equipment	(860)	(2,814)
Proceeds from sale of proprietary, co-investment securities, net	2,156	26,512
Purchase of treasury portfolio, net	(353,003)	(249,502)
Proceeds from sale of a subsidiary	-	104,591
Proceeds from sale of investment in real estate	38,805	-
Purchase of investment in real estate	-	(2,931)
Dividends received from proprietary investments and co-investments	5,426	25,308
Advance paid for development of real estate	(25,792)	(13,021)
Acquisition of additional stake in a subsidiary	-	(17,276)
Net cash used in investing activities	(333,268)	(129,133)

FINANCING ACTIVITIES

Financing liabilities, net	28,613	(9,810)
Finance expense paid	(106,078)	(55,665)
Dividends paid	(31,037)	(76,151)
Acquisition of NCI	(9,026)	-
Purchase of treasury shares, net	(65,140)	(54,883)
Net cash used in financing activities	(182,668)	(196,509)
Net (decrease)/increase in cash and cash equivalents during the year	(30,087)	140,733
Cash and cash equivalents at 1 January *	397,620	256,887
Cash and cash equivalents at 31 December	367,533	397,620
Cash and cash equivalents comprise: *		
Cash and balances with banks (excluding CBB Reserve balance and restricted cash)	278,251	284,649
Placements with financial institutions (original maturities of 3 months or less)	89,282	112,971
	367,533	397,620

* net of expected credit loss of US\$ 1,098 thousand (31 December 2018: US\$ 1,087 thousand).