

**Consolidated Statement of Financial Position**

31 December 2019 All Figures in US\$ Thousand

	2019 US\$ '000	2018 US\$ '000
<b>ASSETS</b>		
Bank balances	16,683	5,507
Due from financial institutions	4,976	-
Investments	831,317	643,334
Murabaha receivables	1,020,984	879,255
Ijarah	196,689	209,004
Equipment	254	15
Other assets	7,730	8,008
<b>TOTAL ASSETS</b>	<b>2,078,633</b>	<b>1,745,123</b>
<b>LIABILITIES AND OWNERS' EQUITY</b>		
<b>Liabilities</b>		
Other liabilities	39,970	16,579
Due to parent and other payables	1,673,712	1,376,719
	1,713,682	1,393,298
<b>Owners' equity</b>		
Share capital	132,500	132,500
Reserves	232,451	219,325
	364,951	351,825
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>2,078,633</b>	<b>1,745,123</b>

**Consolidated Statement of Income**

Year ended 31 December 2019 All Figures in US\$ Thousand

	2019 US\$ '000	2018 US\$ '000
<b>OPERATING INCOME</b>		
Income from financial institutions	429	-
Income from investments	28,287	23,837
Income from Murabaha receivables	38,292	34,754
Ijarah income - net	10,388	9,267
	77,396	67,858
Profit on due to parent and other payables	(38,762)	(34,104)
	38,634	33,754
Gain on sale of investments	1,965	3,437
Fees and commission income - net	6,053	5,059
<b>Total operating income</b>	<b>46,652</b>	<b>42,250</b>
Allowances for credit losses - net	(471)	(3,200)
<b>NET OPERATING INCOME AFTER PROVISIONS</b>	<b>46,181</b>	<b>39,050</b>
<b>OPERATING EXPENSES</b>		
Staff costs	5,973	4,495
Depreciation	77	14
Other expenses	2,401	2,119
<b>Total operating expenses</b>	<b>8,451</b>	<b>6,628</b>
<b>PROFIT FOR THE YEAR BEFORE ZAKAH</b>	<b>37,730</b>	<b>32,422</b>
Zakah	(385)	(374)
<b>PROFIT FOR THE YEAR</b>	<b>37,345</b>	<b>32,048</b>

**Consolidated Statement of Cash Flows**

Year ended 31 December 2019 All Figures in US\$ Thousand

	2019 US\$ '000	2018 US\$ '000
<b>OPERATING ACTIVITIES</b>		
Profit for the year	37,345	32,048
Adjustments for:		
Depreciation	77	14
Gain on sale of investments	(1,965)	(3,437)
Allowances for credit losses - net	471	3,200
Operating profit before changes in operating assets and liabilities	35,928	31,825
Changes in operating assets and liabilities:		
Due from financial institutions	(5,000)	-
Murabaha receivables	(142,330)	(136,921)
Ijarah	10,139	(19,445)
Other assets	279	1,117
Other liabilities	25,458	(876)
Due to parent and other payables	296,993	164,789
<b>Net cash flows from operating activities</b>	<b>221,467</b>	<b>40,489</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(312,186)	(247,373)
Proceeds from sale/redemption of investments	126,211	195,674
Purchase of equipment	(316)	(4)
<b>Net cash flows (used in) investing activities</b>	<b>(186,291)</b>	<b>(51,703)</b>
<b>FINANCING ACTIVITY</b>		
Dividend paid to the shareholder	(24,000)	-
<b>Net cash flow (used in) financing activity</b>	<b>(24,000)</b>	<b>-</b>
<b>NET CHANGE IN CASH EQUIVALENTS</b>	<b>11,176</b>	<b>(11,214)</b>
Cash equivalents at 1 January	5,507	16,721
<b>CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>16,683</b>	<b>5,507</b>

**Consolidated Statement of Changes in Owners' Equity**

Year ended 31 December 2019 All Figures in US\$ Thousand

	Reserves					Total owners' equity US\$ '000
	Share capital US\$ '000	Statutory reserve US\$ '000	Investments fair value reserve US\$ '000	Retained earnings US\$ '000	Total reserves US\$ '000	
At 1 January 2019	132,500	27,613	1,306	190,406	219,325	351,825
Cumulative changes in fair value	-	-	(219)	-	(219)	(219)
Profit for the year	-	-	-	37,345	37,345	37,345
Transfer to statutory reserve	-	3,735	-	(3,735)	-	-
Dividend	-	-	-	(24,000)	(24,000)	(24,000)
<b>At 31 December 2019</b>	<b>132,500</b>	<b>31,348</b>	<b>1,087</b>	<b>200,016</b>	<b>232,451</b>	<b>364,951</b>
At 1 January 2018	132,500	24,408	1,745	174,198	200,351	332,851
Transition adjustment on adoption of FAS 30 as of 1 January 2018	-	-	-	(12,635)	(12,635)	(12,635)
Restated balance as of 1 January 2018	132,500	24,408	1,745	161,563	187,716	320,216
Cumulative changes in fair value	-	-	(439)	-	(439)	(439)
Profit for the year	-	-	-	32,048	32,048	32,048
Transfer to statutory reserve	-	3,205	-	(3,205)	-	-
<b>At 31 December 2018</b>	<b>132,500</b>	<b>27,613</b>	<b>1,306</b>	<b>190,406</b>	<b>219,325</b>	<b>351,825</b>

The above Consolidated Statement of Financial Position, Consolidated Statement of Income, Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Owners' Equity have been extracted from the Consolidated Financial Statements of ABC Islamic Bank (E.C.) for the year ended 31 December 2019, which were approved by the Board of Directors and on which an unqualified audit opinion was issued by Ernst & Young, Kingdom of Bahrain, on 13 February 2020.