

FINANCIAL RESULTS

for the year ended 31 December 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2018

US\$ 000's

	31 December 2018	31 December 2017
ASSETS		
Cash and bank balances	15,407	12,100
Placements with financial institutions	89,818	84,953
Financing assets	117,426	131,482
Ijarah assets	75,100	78,700
Investment securities	428,737	407,569
Equity accounted investees	29,341	44,240
Other assets	52,080	36,406
Property and equipment	17,857	11,842
Assets held for sale	-	119,645
Total assets	825,766	926,937
LIABILITIES AND EQUITY		
LIABILITIES		
Placements from financial institutions	92,884	79,401
Bank financing	122,628	127,037
Other liabilities	23,434	20,498
Total liabilities	238,946	226,936
EQUITY		
Share capital	600,000	1,000,000
Treasury shares	(7,261)	(7,261)
Statutory reserve	13,034	11,808
Investments fair value reserve	(2,011)	5,664
Foreign exchange translation reserve	(2,171)	(2,171)
Accumulated losses	(61,968)	(355,202)
Total equity attributable to shareholders of the parent	539,623	652,838
Non-controlling interests	47,197	47,163
TOTAL EQUITY	586,820	700,001
Total liabilities and equity	825,766	926,937

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2018

US\$ 000's

	2018	2017
INCOME		
Income from investment securities	23,905	28,975
Income from financing and placements with financial institutions	12,754	12,423
Net income from Ijarah assets	2,692	1,776
Fees and commission income	7,868	3,371
Other income	97	157
Gain on disposal of equity accounted investee	-	4,618
Share of results of equity accounted investees	(773)	(3,129)
Loss on dilution of investment in associates	(6,102)	-
Total income	40,441	48,191
EXPENSES		
Staff cost	12,679	8,888
Finance cost	4,244	2,588
Depreciation and amortization	497	442
Other operating expenses	11,031	7,579
Total expenses	28,451	19,497
Profit from continuing operations before impairment allowance	11,990	28,694
Net impairment reversal	2,921	-
Profit from continuing operations	14,911	28,694
Discontinued operation	-	-
Loss from discontinued operation (Assets held for sale)	(2,612)	(8,551)
PROFIT FOR THE YEAR	12,299	20,143
Attributable to:		
Shareholders of the parent	12,256	20,056
Non-controlling interests	43	87
	12,299	20,143

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2018

US\$ 000's

2018	Equity attributable to shareholders of the parent								Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Statutory reserve	Investments fair value reserve	Foreign Exchange Translation Reserve	Accumulated losses					
At 1 January 2018	1,000,000	(7,261)	11,808	5,664	(2,171)	(355,202)	652,838	47,163	700,001		
Changes in fair value of investments at fair value through equity	-	-	-	(5,155)	-	(5,155)	-	-	(5,155)		
Transfer to income statement on disposal of investments	-	-	-	(2,520)	-	(2,520)	-	-	(2,520)		
Profit for the year	-	-	-	-	-	12,256	12,256	43	12,299		
Total recognised income and expense for the year	-	-	-	(7,675)	-	12,256	4,581	43	4,624		
Transfer to zakah and charity fund	-	-	-	-	-	(250)	(250)	-	(250)		
Transfer to statutory reserve	-	-	1,226	-	-	(1,226)	-	-	-		
Dividends of subsidiary	-	-	-	-	-	-	-	(23)	(23)		
Capital reduction	(400,000)	-	-	-	-	280,355	(119,645)	-	(119,645)		
Adjustment on asset transfer to shareholders	-	-	-	-	-	2,099	2,099	14	2,113		
At 31 December 2018	600,000	(7,261)	13,034	(2,011)	(2,171)	(61,968)	539,623	47,197	586,820		
2017											
At 1 January 2017	1,000,000	(7,261)	9,802	4,715	(5,640)	(367,594)	634,022	41,484	675,506		
Changes in fair value of investments at fair value through equity	-	-	-	949	-	-	949	-	949		
Effects of exchange rate difference on equity accounted investees	-	-	-	-	3,469	-	3,469	-	3,469		
Change in ownership interest in subsidiary	-	-	-	-	-	(5,558)	(5,558)	5,558	-		
Profit for the year	-	-	-	-	-	20,056	20,056	87	20,143		
Total recognised income and expense for the year	-	-	-	949	3,469	14,498	18,916	5,645	24,561		
Issuance of share capital in a subsidiary	-	-	-	-	-	-	-	62	62		
Transfer to zakah and charity fund	-	-	-	-	-	(100)	(100)	-	(100)		
Transfer to statutory reserve	-	-	2,006	-	-	(2,006)	-	-	-		
Dividends of subsidiary	-	-	-	-	-	-	-	(28)	(28)		
At 31 December 2017	1,000,000	(7,261)	11,808	5,664	(2,171)	(355,202)	652,838	47,163	700,001		

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2018

US\$ 000's

	2018	2017
OPERATING ACTIVITIES		
Net profit for the year	12,299	20,143
Adjustments for:		
Depreciation on Ijarah assets	3,600	7,376
Depreciation and amortization	497	442
Amortization of discount	(483)	(303)
Net impairment reversal	(2,921)	-
Loss on dilution of investment in associates	6,102	-
Share of results of equity accounted investees	773	3,129
Gain on disposal of investment securities	(6,396)	(15,647)
Gain on disposal of equity accounted investees	-	(4,618)
Loss on disposal of property and equipment	-	3
Operating profit before changes in operating assets and liabilities	13,471	10,525
Net changes in operating assets and liabilities:		
Financing assets	11,737	53,015
Other assets	(15,717)	(6,975)
Placements from financial institutions	13,483	(91,817)
Other liabilities	2,921	(7,398)
Payment to charities	(235)	(181)
Net cash from / (used in) operating activities	25,660	(42,831)
INVESTING ACTIVITIES		
Purchase of investment securities	(144,599)	(250,929)
Proceeds from disposal / maturity of investment securities	131,546	302,371
Proceeds from disposal of joint venture	-	15,245
Additions to Ijarah assets	-	(684)
Adjustment on asset transfer to shareholders	2,113	-
Purchase of property and equipment and intangible assets	(2,068)	(2,584)
Net cash (used in) / from investing activities	(13,008)	63,419
FINANCING ACTIVITIES		
Issuance of share capital in a subsidiary	-	62
Proceeds from bank financing	40,000	40,000
Dividend paid to non-controlling interests	(23)	(28)
Repayment of bank financing	(44,409)	(110,768)
Net cash used in financing activities	(4,432)	(70,734)
Net increase / (decrease) in cash and cash equivalents	8,220	(50,146)
Cash and cash equivalents at beginning of the year	97,053	147,199
Effect of net impairment losses on placements with financial institutions	(48)	-
Cash and cash equivalents at end of the year	105,225	97,053
Cash and bank balances	15,407	12,100
Placements with financial institutions with original maturity of 90 days or less	89,818	84,953
	105,225	97,053

These statements have been extracted from the consolidated financial information audited by KPMG.

The consolidated financial information was approved by the Board of Directors on 26 February 2019 and signed on its behalf by:

Khaleefa Bin Butti Bin Omair Chairman	Abdulla Al Yousef Al Suwaidi Board Member	Mohamed Ghanem Chief Executive Officer
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مصرف الطاقة الأول
FirstEnergyBank