

# FINANCIAL RESULTS

for the year ended 31 December 2019

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2019

US\$ 000's

	31 December 2019	31 December 2018
<b>ASSETS</b>		
Cash and bank balances	20,976	15,407
Placements with financial institutions	40,168	89,818
Financing assets	163,109	117,426
Ijarah assets	71,500	75,100
Investment securities	415,750	428,737
Equity accounted investees	71,149	29,341
Other assets	55,349	52,080
Property and equipment	24,591	17,857
<b>Total assets</b>	<b>862,592</b>	<b>825,766</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Placements from financial institutions	36,949	92,884
Bank financing	191,350	122,628
Other liabilities	37,118	23,434
<b>Total liabilities</b>	<b>265,417</b>	<b>238,946</b>
<b>EQUITY</b>		
Share capital	600,000	600,000
Treasury shares	(4,356)	(7,261)
Statutory reserve	14,678	13,034
Investments fair value reserve	-	(2,011)
Foreign exchange translation reserve	(6,843)	(2,171)
Accumulated losses	(50,232)	(61,968)
<b>Total equity attributable to shareholders of the parent</b>	<b>553,247</b>	<b>539,623</b>
Non-controlling interests	43,928	47,197
<b>TOTAL EQUITY</b>	<b>597,175</b>	<b>586,820</b>
<b>Total liabilities and equity</b>	<b>862,592</b>	<b>825,766</b>

## CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2019

US\$ 000's

	2019	2018
<b>INCOME</b>		
Income from investment securities	14,995	23,905
Income from financing and placements with financial institutions	16,209	12,754
Net income from Ijarah assets	2,887	2,692
Fees and commission income	5,152	7,868
Other income	2,545	97
Share of results of equity accounted investees	2,902	(773)
Loss on dilution of investment in associates	-	(6,102)
<b>Total income</b>	<b>44,690</b>	<b>40,441</b>
Less: Finance cost	(5,822)	(4,244)
<b>Total income after finance cost</b>	<b>38,868</b>	<b>36,197</b>
<b>EXPENSES</b>		
Staff cost	12,851	12,679
Depreciation and amortization	854	497
Other operating expenses	6,948	11,031
<b>Total expenses</b>	<b>20,653</b>	<b>24,207</b>
<b>Profit from continuing operations before impairment allowance</b>	<b>18,215</b>	<b>11,990</b>
Net impairment (losses) / reversal	(1,715)	2,921
<b>Profit from continuing operations</b>	<b>16,500</b>	<b>14,911</b>
<b>Discontinued operation</b>		
Loss from discontinued operation (Assets held for sale)	-	(2,612)
<b>PROFIT FOR THE YEAR</b>	<b>16,500</b>	<b>12,299</b>
<b>Attributable to:</b>		
Shareholders of the parent	16,435	12,256
Non-controlling interests	65	43
	<b>16,500</b>	<b>12,299</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2019

US\$ 000's

2019	Equity attributable to shareholders of the parent								
	Share capital	Treasury shares	Statutory reserve	Investments fair value reserve	Foreign exchange translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
At 1 January 2019	600,000	(7,261)	13,034	(2,011)	(2,171)	(6,1968)	539,623	47,197	586,820
Changes in fair value of investments at fair value through equity	-	-	-	1,248	-	-	1,248	-	1,248
Transfer to income statement on impairment	-	-	-	763	-	-	763	-	763
Effect of exchange rate difference on equity accounted investee	-	-	-	-	(4,672)	-	(4,672)	-	(4,672)
Profit for the year	-	-	-	-	-	16,435	16,435	65	16,500
<b>Total recognised income and expense for the year</b>	-	-	-	2,011	(4,672)	16,435	13,774	65	13,839
Transfer to zakah and charity fund	-	-	-	-	-	(150)	(150)	-	(150)
Transfer to statutory reserve	-	-	1,644	-	-	(1,644)	-	-	-
Distribution from subsidiary	-	-	-	-	-	-	-	(3,294)	(3,294)
Dividends of subsidiary	-	-	-	-	-	-	-	(40)	(40)
Adjustment on capital reduction	-	2,905	-	-	-	(2,905)	-	-	-
<b>At 31 December 2019</b>	<b>600,000</b>	<b>(4,356)</b>	<b>14,678</b>	<b>-</b>	<b>(6,843)</b>	<b>(50,232)</b>	<b>553,247</b>	<b>43,928</b>	<b>597,175</b>
<b>2018</b>									
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
<b>Total recognised income and expense for the year</b>	-	-	-	(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
<b>At 31 December 2018</b>	<b>600,000</b>	<b>(7,261)</b>	<b>13,034</b>	<b>(2,011)</b>	<b>(2,171)</b>	<b>(61,968)</b>	<b>539,623</b>	<b>47,197</b>	<b>586,820</b>



مصرف الطاقة الأول  
**FirstEnergyBank**

## CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2019

US\$ 000's

	2019	2018
<b>OPERATING ACTIVITIES</b>		
<b>Net profit for the year</b>	<b>16,500</b>	<b>12,299</b>
<b>Adjustments for:</b>		
Depreciation on Ijarah assets	3,600	3,600
Depreciation and amortization	854	497
Amortization of premium / (discount) on Sukuk	559	(483)
Net impairment losses / (reversal)	1,715	(2,921)
Share of results of equity accounted investees	(2,902)	773
Fair value gain on investment securities	(1,679)	-
Loss on dilution of investment in associates	-	6,102
Loss / (gain) on disposal of investment securities	354	(6,396)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>19,001</b>	<b>13,471</b>
<b>Net changes in operating assets and liabilities:</b>		
Financing assets	(46,527)	11,737
Other assets	(2,644)	(15,717)
Placements from financial institutions	(55,935)	13,483
Other liabilities	15,387	2,921
Payment to charities	(153)	(235)
<b>Net cash (used in) / from operating activities</b>	<b>(70,871)</b>	<b>25,660</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investment securities	(171,561)	(144,599)
Proceeds from disposal / maturity of investment securities	143,002	131,546
Adjustment on asset transfer to shareholders	-	2,113
Purchase of property and equipment and intangible assets	(8,377)	(2,068)
<b>Net cash used in investing activities</b>	<b>(36,936)</b>	<b>(13,008)</b>
<b>FINANCING ACTIVITIES</b>		
Return of capital to non-controlling interests	(3,294)	-
Dividend paid to shareholders	(1,700)	-
Proceeds from bank financing	149,427	40,000
Dividend paid to non-controlling interests	(40)	(23)
Repayment of bank financing	(80,705)	(44,409)
<b>Net cash from / (used in) financing activities</b>	<b>63,688</b>	<b>(4,432)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(44,119)</b>	<b>8,220</b>
Cash and cash equivalents at beginning of the year	105,225	97,053
Effect of net impairment losses on placements with financial institutions	38	(48)
<b>Cash and cash equivalents at end of the year</b>	<b>61,144</b>	<b>105,225</b>
Cash and bank balances	20,976	15,407
Placements with financial institutions with original maturity of 90 days or less	40,168	89,818
	<b>61,144</b>	<b>105,225</b>

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 20 February 2020 and signed on its behalf by:

<b>Khalifea Butti Bin Omair</b> Chairman	<b>Abdulla Ahmed Al Suwaidi</b> Board Member	<b>Mohamed Ghanem</b> Chief Executive Officer
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