

Consolidated statement of financial position as at 31 December 2016 (Expressed in Bahraini Dinars)

	31 December 2016	31 December 2015
ASSETS		
Cash and cash equivalents	7,430,437	5,272,724
Investment securities	14,635,962	12,228,591
Murabaha financing	-	4,439,397
Ijarah Muntahia Bittamleek	1,447,308	2,275,349
Properties-under-development	414,480	412,180
Investment in real estate	2,593,468	2,597,572
Receivables and prepayments	248,454	687,128
Property and equipment	15,244	36,357
Total assets	26,785,353	27,949,298
LIABILITIES AND OWNERS' EQUITY		
Liabilities		
Other liabilities	476,278	575,859
Owners' Equity		
Share capital	24,042,900	24,042,900
Treasury shares	(1,202,145)	(1,202,145)
Statutory reserve	1,332,524	1,211,983
Properties fair value reserve	989,463	989,463
Foreign currency translation reserve	(1,127,635)	-
Charity reserve	-	97
Retained earnings	2,273,968	2,331,141
	26,309,075	27,373,439
Total liabilities and Owners' equity	26,785,353	27,949,298

Consolidated statement of income for the year ended 31 December 2016 (Expressed in Bahraini Dinars)

	31 December 2016	31 December 2015
Income		
Gross Ijarah income	655,736	955,316
Less: Depreciation on Ijarah Muntahia Bittamleek	(343,523)	(429,115)
	312,213	526,201
Profit from Mudaraba investments	37,875	76,186
Profit from Murabaha financing	344,501	611,936
Fees from financing activities	4,402	19,969
Net rental income from investment in real estate	69,394	106,368
Profit from investment securities	433,510	267,289
Net gain on sale of investment in real estate	119,286	132,519
Gain on sale on investment securities	2,015,120	-
Net gain on sale of property under development	-	108,606
Allowance no longer required for Ijarah Muntahia Bittamleek rental receivables, Murabaha financing and other receivables	231,101	116,292
Net gain on sale of property and equipment	-	40
	3,567,402	1,965,406
Expenses		
Staff costs	378,121	492,471
General and administrative expenses	301,360	293,897
Depreciation of property and equipment	23,841	31,884
Depreciation on investment in real estate	4,444	6,474
Investment fees and charges	3,567	7,229
Net unrealised fair value losses on revaluation of investment securities	1,044,016	153,299
Net foreign exchange losses	601,219	351,621
Allowances and provisions	5,428	10,240
	2,361,996	1,347,115
Net profit for the year	1,205,406	618,291
Basic and diluted earnings per share	Fils5.3	Fils2.7

Consolidated statement of cash flows for the year ended 31 December 2016 (Expressed in Bahraini Dinars)

	31 December 2016	31 December 2015
Operating activities		
Net profit for the year	1,205,406	618,291
Adjustments for:		
Depreciation on property and equipment	23,841	31,884
Depreciation on Ijarah Muntahia Bittamleek	343,523	429,115
Depreciation on investment in real estate	4,444	6,474
Net gain on sale of property and equipment	-	(40)
Net gain on sale of investment in real estate	(119,286)	(132,519)
Gain on sale of investment securities	(2,015,120)	-
Net unrealised fair value losses on revaluation of investment in securities	1,044,016	153,299
Foreign exchange losses on translation of investment in securities	1,455,855	40,767
Net gain on the sale of property under development	-	(108,606)
Changes in operating assets and liabilities:		
Receivables and prepayments	438,674	1,679,897
Other liabilities	(99,581)	74,644
Net cash provided by operating activities	2,281,772	2,793,206
Investing activities		
Net movement in Murabaha financing	4,439,397	1,537,541
Additions in investment securities	(6,674,354)	(6,421,218)
Net movement in properties-under-development	(2,300)	(59,635)
Purchase of property and equipment	(3,155)	(1,439)
Addition in investment in real estate	(100,768)	-
Net movement in the foreign currency translation reserve	(1,127,635)	-
Net movement in Ijarah Muntahia Bittamleek	484,518	940,608
Proceeds from sale of investment securities	3,782,232	-
Proceeds from sale of properties-under-development	-	1,285,981
Proceeds from sale of investment in real estate	219,714	654,000
Proceeds from sale of property and equipment	427	40
Net cash provided by/(used in) investing activities	1,018,076	(2,064,122)
Financing activities		
Purchase of treasury shares	-	(1,202,145)
Charity reserve movement	(97)	(2,197)
Dividend paid	(1,142,038)	(513,922)
Net cash used in financing activities	(1,142,135)	(1,718,264)
Net increase/(decrease) in cash and cash equivalents	2,157,713	(989,180)
Cash and cash equivalents, beginning of the year	5,272,724	6,261,904
Cash and cash equivalents, end of the year	7,430,437	5,272,724

These consolidated financial statements have been authorized for issue in accordance with a resolution of the Board of Directors on 27 February 2017.

Ali Ahmed Al Baghli
Chairman

Saud Kanoo
Vice Chairman

All financial statements can be viewed on our website: www.reef.bh

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Licensed as an Islamic Financing Company by the Central Bank of Bahrain

Consolidated statement of changes in Owners' equity for the year ended 31 December 2016 (Expressed in Bahraini Dinars)

	Share capital	Treasury shares	Statutory reserve	Properties fair value reserve	Charity reserve	Foreign currency translation reserve	Retained earnings	Total
At 31 December 2014	24,042,900	-	1,150,154	1,078,825	2,294	-	2,288,601	28,562,774
Treasury shares	-	(1,202,145)	-	-	-	-	-	(1,202,145)
Dividend paid for the year 2014	-	-	-	-	-	-	(513,922)	(513,922)
Charity reserve movement	-	-	-	-	(2,197)	-	-	(2,197)
Net movement in properties fair value reserve on the sale of investment in real estate	-	-	-	(89,362)	-	-	-	(89,362)
Net profit for the year	-	-	-	-	-	-	618,291	618,291
Transferred to statutory reserve	-	-	61,829	-	-	-	(61,829)	-
At 31 December 2015	24,042,900	(1,202,145)	1,211,983	989,463	97	-	2,331,141	27,373,439
Dividend paid for the year 2015	-	-	-	-	-	-	(1,142,038)	(1,142,038)
Charity reserve movement	-	-	-	-	(97)	-	-	(97)
Foreign currency translation loss	-	-	-	-	-	(1,127,635)	-	(1,127,635)
Net profit for the year	-	-	-	-	-	-	1,205,406	1,205,406
Transferred to statutory reserve	-	-	120,541	-	-	-	(120,541)	-
At 31 December 2016	24,042,900	(1,202,145)	1,332,524	989,463	-	(1,127,635)	2,273,968	26,309,075