

Al Baraka Banking Group B.S.C.

**Additional Public Disclosures
30 June 2012**

(Unaudited)

Al Baraka Banking Group B.S.C.
ADDITIONAL PUBLIC DISCLOSURES
30 June 2012 (Unaudited)

	Content	Page
1	INTRODUCTION	3
2	FINANCIAL HIGHLIGHTS	4
3	CAPITAL STRUCTURE AND CAPITAL ADEQUACY	5
4	RISK MANAGEMENT	8
5	EQUITY OF INVESTMENT ACCOUNTHOLDERS	26
6	OFF-BALANCE SHEET EQUITY OF INVESTMENT ACCOUNTHOLDERS	29

Al Baraka Banking Group B.S.C.

ADDITIONAL PUBLIC DISCLOSURES

30 June 2012 (Unaudited)

1 INTRODUCTION

Al Baraka Banking Group B.S.C. ('the Bank') is a joint stock company incorporated in the Kingdom of Bahrain on 27 June 2002, under Commercial Registration (CR) number 48915. The Bank is engaged in banking activities in the Middle East, Europe, North African and South African region. The address of the Bank's registered office is P.O. Box 1882, Diplomatic Area, Manama, Kingdom of Bahrain. The Bank is listed on Bahrain Bourse and NASDAQ Dubai.

The Bank operates under an Islamic wholesale banking license issued by the Central Bank of Bahrain ('the CBB').

The principal activities of the Bank and its subsidiaries ('the Group') comprise of international and commercial banking, financing, treasury and investment activities. The Bank is supervised and regulated by the CBB.

The following are the principal subsidiaries of the Bank, which are consolidated for all financial information presented unless otherwise stated:

Bank	Ownership for Jun 2012	Ownership for Dec 2011	Year of incorporation	Country of incorporation	No. of branches/ offices at 30 June 2012
Held directly by the Bank					
Banque Al Baraka D'Algerie (BAA)	55.90%	55.90%	1991	Algeria	25
Al Baraka Islamic Bank - Bahrain (AIB)	91.12%	91.12%	1984	Bahrain	95
Al Baraka Bank Tunis (ABT)	78.40%	78.40%	1983	Tunisia	8
Al Baraka Bank Egypt (ABE)	73.68%	73.68%	1980	Egypt	23
Al Baraka Bank Lebanon (ABBL)	98.71%	98.50%	1991	Lebanon	7
Jordan Islamic Bank (JIB)	66.01%	66.01%	1979	Jordan	77
Al Baraka Turk Participation Bank (ATPB)	56.64%	56.64%	1985	Turkey	133
Al Baraka Bank Limited (ABL)	61.98%	61.98%	1989	South Africa	11
Al Baraka Bank Sudan (ABS)	82.08%	82.08%	1984	Sudan	25
Al Baraka Bank Syria (ABBS)	23.00%	23.00%	2009	Syria	9

The following are the subsidiaries held indirectly through the principal subsidiaries of the Bank:

Company/ Bank	Subsidiary held through	Effective Ownership for Jun 2012	Effective Ownership for Dec 2011	Year of incorporation	Country of incorporation
Held indirectly by the Bank					
Al Baraka Bank (Pakistan) Limited	AIB	58.90%	58.90%	2010	Pakistan
Al- Rizq Trading Company *	JIB	0.00%	59.40%	1994	Jordan
Al-Omariya School	JIB	62.31%	62.31%	1987	Jordan
Al-Samaha Real Estate	JIB	62.97%	66.01%	1998	Jordan
Future Applied Computer Technology Company	JIB	66.01%	66.01%	1998	Jordan
Sanable Alkhair for Financial Investment	JIB	66.01%	66.01%	2006	Jordan
Al Baraka Properties (Pty) Ltd.	ABL	61.98%	61.98%	1991	South Africa

*On 18 March 2012 Al-Samaha Real Estate Company acquired Al-Rizq Trading Company.

This documents contains disclosures required under the guidelines of the public disclosures required by Islamic banks. The period covered is from 1 January 2012 to 30 June 2012.

Al Baraka Banking Group B.S.C.
ADDITIONAL PUBLIC DISCLOSURES

30 June 2012 (Unaudited)

2 FINANCIAL HIGHLIGHTS

The following summarises the basic quantitative indicators of financial performance of the Group:

	<i>June</i> 2012	<i>Dec</i> 2011	<i>Dec</i> 2010	<i>Dec</i> 2009	<i>Dec</i> 2008
EARNINGS (US\$ Millions)*					
Total Operating Income	412	741	659	634	586
Net Operating Income	192	344	316	325	314
Net Income	121	212	193	167	201
Net Income Attributable to Equity Holders of the Parent	71	118	106	92	114
Basic and diluted earnings per share - US cents	7.04	11.77	10.50	9.05	11.21
FINANCIAL POSITION (US\$ Millions)					
Total Assets	17,619	17,154	15,878	13,166	10,920
Total Financing and Investments	12,735	11,818	11,391	9,431	8,088
Total Deposits	15,148	14,680	13,571	10,999	8,872
Total Owners' Equity	1,844	1,799	1,817	1,737	1,550
Equity Attributable to Parent's Shareholders	1,229	1,203	1,224	1,214	1,131
CAPITAL (US\$ Millions)					
Authorised	1,500	1,500	1,500	1,500	1,500
Subscribed and Fully Paid-up	1,014.5	869.6	790.5	744.0	697.5
PROFITABILITY ***					
Return on Average Owner's Equity	6.6%	11.7%	10.9%	10.2%	13.0%
Return on Average Parent's Shareholders Equity **	5.8%	9.8%	8.7%	7.8%	10.0%
Return on Average Assets	1.4%	1.3%	1.3%	1.4%	1.9%
Operating Expenses to Operating Income	53.3%	53.5%	52.0%	48.7%	46.4%
FINANCIAL POSITION					
Owner's Equity to Assets Ratio	10.5%	10.5%	11.4%	13.2%	14.2%
Total Financing and Investments as a Multiple of Equity (times)	6.9	6.6	6.3	5.4	5.2
Net Book Value per Share (US\$)	1.22	1.20	1.22	1.20	1.12
OTHER INFORMATION					
Total Number of Employees	9,273	9,021	8,503	7,250	6,746
Total Number of Branches	414	399	370	289	283

* June 2012 results relate to the six months period.

** Return based on parent's share of income and equity.

*** Figures are annualised for the period ended 30 June 2012.

Al Baraka Banking Group B.S.C.
ADDITIONAL PUBLIC DISCLOSURES
 30 June 2012 (Unaudited)

3 CAPITAL STRUCTURE AND CAPITAL ADEQUACY

The primary objectives of the Group's capital management are to ensure that the Group complies with externally imposed capital requirements and that the Group maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes were made in the objectives, policies and processes from the previous year.

The Group's capital structure is primarily made of its paid-up capital, including the share premium and reserves, and profit equalization reserve and investment risk reserve. From regulation's perspective, the significant amount of the Group's capital are in Tier 1 as defined by the CBB, i.e., most of the consolidated capital are of permanent nature.

To assess its capital adequacy requirements in accordance with the CBB requirements, the Group adopts the standardised approach for its Credit Risk, Basic Indicator Approach for its Operational Risk and Standardised Measurement Approach for its Market Risk. To calculate its capital adequacy, the Group follows the accepted approaches approved by the CBB Rulebook. The Group consolidates all subsidiaries for Capital Adequacy Ratio (CAR) calculation. The Group strives to sustain reasonably higher capital cushion that strikes the balance between its business conduct and the regulatory requirements stipulated in the CBB capital adequacy requirements as a minimum accepted level of capital adequacy.

Table – 1. Capital Structure (PD-1.3.12, 1.3.13, 1.3.14 & 1.3.15)

The following table summarizes the eligible capital after deductions for calculation as of:

	30 June 2012		31 December 2011	
	Tier 1 US\$ '000	Tier 2 US\$ '000	Tier 1 US\$ '000	Tier 2 US\$ '000
Tier 1 Capital Components				
Issued and fully paid up ordinary shares	1,005,958	-	862,231	-
Disclosed reserves				
Legal / statutory reserves	65,384	-	65,384	-
Share premium	16,382	-	16,420	-
Others	(91,221)	-	102,102	-
Retained profit brought forward	168,559	-	167,584	-
Non-controlling interest in consolidated subsidiaries	615,193	-	596,022	-
Less:				
Goodwill	78,058	-	76,593	-
Unrealized gross losses arising from fair valuing equity securities	46,085	-	46,515	-
Tier 1 Capital before PCD deductions	1,656,112	-	1,686,635	-
Tier 2 Capital Components				
Current interim profits	-	70,827	-	-
Unrealized gains arising from fair valuing equities (45% only)	-	17,620	-	16,165
Profit equalization reserve	-	8,727	-	8,034
Investment risk reserve	-	106,520	-	93,653
Tier 2 Capital before PCD deductions	-	203,694	-	117,852
Total Available Capital	-	1,859,806	-	1,804,487

Al Baraka Banking Group B.S.C.
ADDITIONAL PUBLIC DISCLOSURES

30 June 2012 (Unaudited)

3 CAPITAL STRUCTURE AND CAPITAL ADEQUACY (continued)

Table – 1. Capital Structure (PD-1.3.12, 1.3.13, 1.3.14 & 1.3.15) (continued)

	30 June 2012		31 December 2011	
	Tier 1 US\$ '000	Tier 2 US\$ '000	Tier 1 US\$ '000	Tier 2 US\$ '000
Deduction				
Investment in insurance entity greater than or equal to 20%	(4,666)	(4,666)	(4,114)	(4,114)
Net Available Capital	1,651,446	199,028	1,682,521	113,738
TOTAL ELIGIBLE CAPITAL		1,850,474		1,796,259

Table – 2. Capital requirement for different type of risks (PD - 1.3.18, 1.3.19)

The following table summarises the capital requirements for credit risk, market risk and operational risk as of:

	30 June 2012		31 December 2011	
	Risk weighted assets US\$ '000	Minimum capital requirements US\$ '000	Risk weighted assets US\$ '000	Minimum capital requirements US\$ '000
Credit Risk	7,533,555	904,027	6,561,714	787,406
Market Risk	932,618	111,914	867,070	104,048
Operational Risk	1,264,499	151,740	1,264,498	151,740
	9,730,672	1,167,681	8,693,282	1,043,194

Table – 3. Capital requirement by type of Islamic financing contracts (PD-1.3.17)

The following table summarises the capital requirements by type of Islamic financing contracts as of:

	30 June 2012		31 December 2011	
	Risk weighted assets US\$ '000	Minimum capital requirements US\$ '000	Risk weighted assets US\$ '000	Minimum capital requirements US\$ '000
Islamic financing contracts				
Receivables	4,051,481	486,178	5,950,637	714,076
Mudaraba and Musharaka financing	280,528	33,663	280,206	33,625
Ijarah Muntahia Bittamleek	304,881	36,586	279,458	33,535
	4,636,890	556,427	6,510,301	781,236

3 CAPITAL STRUCTURE AND CAPITAL ADEQUACY (continued)

Table – 4. Capital Adequacy Ratios (PD-1.3.20 (a))

The following are Capital adequacy ratios for total capital and Tier 1 capital as of:

	30 June 2012	31 December 2011
Total capital ratio	19.02%	20.66%
Tier 1 capital ratio	16.97%	19.35%

Table - 5. The Group's Subsidiaries Capital Adequacy Ratios (PD-1.3.20 (b))

The following are the Group's subsidiaries capital adequacy ratio prepared on the basis of CBB requirements, which may differ from the local requirements of the countries in which the subsidiaries operate, as of:

	<u>30 June 2012</u>		<u>31 December 2011</u>	
	<i>Tier 1 capital ratio</i>	<i>Total capital ratio</i>	<i>Tier 1 capital ratio</i>	<i>Total capital ratio</i>
Head Office	40%	40%	42%	42%
Banque Al Baraka D'Algerie	23%	27%	29%	30%
Al Baraka Islamic Bank *	18%	18%	17%	17%
Al Baraka Bank Tunis	25%	26%	25%	25%
Al Baraka Bank Egypt	21%	23%	21%	21%
Al Baraka Bank Lebanon	24%	24%	29%	30%
Jordan Islamic Bank	17%	19%	21%	21%
Al Baraka Turk Participation Bank	16%	18%	16%	16%
Al Baraka Bank Limited	26%	27%	28%	28%
Al Baraka Bank Sudan	14%	18%	17%	19%
Al Baraka Bank Syria	31%	33%	32%	32%

* These ratios represents the consolidated ratios and Al Baraka Pakistan has tier 1 capital ratio of 31% (2011: 34%) and total capital ratio of 31% (2011:34%).

30 June 2012 (Unaudited)

4 RISK MANAGEMENT

Risk management is an integral part of the Group's decision-making process. The management committee and executive committees guide and assist with overall management of the Group's balance sheet risks. The Group manages exposure by setting limits approved by the Board of Directors. These risks and the processes to mitigate these risks have not significantly altered from the year end.

a) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances.

Table – 6. Liquidity Ratios (PD-1.3.37)

The following table summarises the liquidity ratios as of:

	30 June	31 December
	2012	2011
Short term assets to short term liabilities	73%	86%
Liquid assets to total assets	27%	32%

Table – 7. Residual Contractual Maturity Breakdown (PD-1.3.23(g), PD-1.3.24(a) & PD-1.3.38)

The table on the next page summarises the maturity profile of the Group's assets and liabilities based on contractual repayment arrangements. The contractual maturities of assets and liabilities have been determined on the basis of the remaining period at the statement of financial position date to the contractual maturity date and do not take account of the stress-testing based on the Group's retention history of its investment accountholders and the availability of bank lines.

AI Baraka Banking Group B.S.C.
ADDITIONAL PUBLIC DISCLOSURES
30 June 2012 (Unaudited)

4 RISK MANAGEMENT (continued)

a) Liquidity risk (continued)

Table – 7. Residual Contractual Maturity Breakdown (PD-1.3.23(g), PD-1.3.24(a) & PD-1.3.38) (continued)

The consolidated maturity profile at 30 June 2012 was as follows:

	Up to 1 month US\$ '000	1 to 3 months US\$ '000	3 to 6 months US\$ '000	6 months to 1 year US\$ '000	1 to 3 years US\$ '000	3 to 5 years US\$ '000	5 to 10 years US\$ '000	10 to 20 years US\$ '000	20 years and above US\$ '000	Undated US\$ '000	Total US\$ '000
ASSETS											
Cash and balances with banks	1,172,540	-	-	-	-	-	-	-	-	2,937,610	4,110,150
Receivables	1,479,911	1,202,443	1,323,185	1,584,168	2,392,933	988,530	445,436	10,109	262	-	9,406,977
Mudaraba and Musharaka financing	22,695	4,793	119,558	107,512	294,825	169,421	128,878	11,698	-	-	859,380
Investments	722,809	105,040	89,862	337,339	328,697	116,584	29,159	12,099	-	93,602	1,835,191
Ijarah Muntahia Bittamleek	14,969	9,284	86,383	26,739	61,260	123,712	138,345	171,201	1,908	-	633,801
Property and equipment	-	-	-	-	-	-	-	-	-	334,627	334,627
Other assets	142,669	2,858	9,705	12,505	71,162	14,179	2,712	-	-	182,610	438,400
Total Assets	3,555,593	1,324,418	1,628,693	2,068,263	3,148,877	1,392,426	744,530	205,107	2,170	3,548,449	17,618,526
LIABILITIES											
Customer current and other accounts	3,645,244	-	-	-	-	-	-	-	-	-	3,645,244
Due to banks	767,908	6,733	10,100	-	3,000	-	-	-	-	-	787,741
Other liabilities	250,327	55,366	14,529	26,916	67,706	22,375	4,937	-	183,803	-	625,959
Total Liabilities	4,663,479	62,099	24,629	26,916	70,706	22,375	4,937	-	183,803	-	5,058,944
Equity of investment accountholders	2,130,079	1,174,344	1,070,102	2,588,415	2,701,578	984,079	59,769	7,063	-	-	10,715,429
Total liabilities and equity of investment accountholders	6,793,558	1,236,443	1,094,731	2,615,331	2,772,284	1,006,454	64,706	7,063	183,803	-	15,774,373
Net liquidity gap	(3,237,965)	87,975	533,962	(547,068)	376,593	385,972	679,824	198,044	(181,633)	3,548,449	1,844,153
Cumulative net liquidity gap	(3,237,965)	(3,149,990)	(2,616,028)	(3,163,096)	(2,786,503)	(2,400,531)	(1,720,707)	(1,522,663)	(1,704,296)	1,844,153	-
Off-balance sheet equity of investment accountholders	112,616	131,984	43,175	39,503	131,090	1,105	5,803	-	-	125,632	590,908

Al Baraka Banking Group B.S.C.
ADDITIONAL PUBLIC DISCLOSURES
 30 June 2012 (Unaudited)

4 RISK MANAGEMENT (continued)

a) Liquidity risk (continued)

Table – 7. Residual Contractual Maturity Breakdown (PD-1.3.23(g), PD-1.3.24(a) & PD-1.3.38) (continued)

The consolidated maturity profile at 31 December 2011 was as follows:

	Up to 1 month US\$ '000	1 to 3 months US\$ '000	3 to 6 months US\$ '000	6 months to 1 year US\$ '000	1 to 3 years US\$ '000	3 to 5 years US\$ '000	5 to 10 years US\$ '000	10 to 20 years US\$ '000	20 years and above US\$ '000	Undated US\$ '000	Total US\$ '000
ASSETS											
Cash and balances with banks	2,966,957	30,033	-	-	-	-	-	-	-	1,636,290	4,633,280
Receivables	1,316,921	1,011,335	1,157,858	1,331,948	2,100,450	1,090,273	198,890	5,149	233	-	8,213,057
Mudaraba and Musharaka financing	488,552	10,847	12,732	34,436	159,301	144,464	91,950	8,653	-	-	950,935
Investments	675,575	278,405	152,990	253,097	507,330	108,863	5,613	10,946	-	97,434	2,090,253
Ijarah Muntahia Bittamleek	14,674	11,046	73,762	31,043	57,695	100,431	130,113	143,263	1,694	-	563,721
Property and equipment	-	-	-	-	-	-	-	-	-	313,933	313,933
Other assets	128,279	10,187	9,675	11,549	69,405	14,446	2,513	-	-	142,810	388,864
Total Assets	5,590,958	1,351,863	1,407,017	1,662,073	2,894,181	1,458,477	429,079	168,011	1,927	2,190,467	17,154,043
LIABILITIES											
Customer current and other accounts	3,560,317	-	-	-	-	-	-	-	-	-	3,560,317
Due to banks	653,462	-	-	-	-	-	-	-	-	-	653,462
Other liabilities	389,144	40,182	14,717	34,658	83,633	18,103	1,720	-	93,039	-	675,196
Total Liabilities	4,602,923	40,182	14,717	34,658	83,633	18,103	1,720	-	93,039	-	4,888,975
Equity of investment accountholders	2,591,356	1,150,649	1,079,525	2,153,690	2,632,959	789,994	67,745	-	-	-	10,465,918
Total liabilities and equity of investment accountholders	7,194,279	1,190,831	1,094,242	2,188,348	2,716,592	808,097	69,465	-	93,039	-	15,354,893
Net liquidity gap	(1,603,321)	161,022	312,775	(526,275)	177,589	650,380	359,614	168,011	(91,112)	2,190,467	1,799,150
Cumulative net liquidity gap	(1,603,321)	(1,442,299)	(1,129,524)	(1,655,799)	(1,478,210)	(827,830)	(468,216)	(300,205)	(391,317)	1,799,150	-
Off-balance sheet equity of investment accountholders	214,040	46,962	35,254	10,048	120,876	-	-	-	-	95,948	523,128

AI Baraka Banking Group B.S.C.
ADDITIONAL PUBLIC DISCLOSURES
 30 June 2012 (Unaudited)

4 RISK MANAGEMENT (continued)

b) Credit risk

Table - 8. Gross funded and unfunded exposure (PD-1.3.23(a))

The Group's assets are funded by equity of investment accountholders (IAH) as well as the Group's own capital and current accounts (Self). The percentage of funding varies for each of the Group's subsidiary based on market conditions and applicable rules and regulations.

The following table summarises the amount of gross funded and unfunded credit exposure and average gross funded and unfunded exposure as of:

	30 June 2012		31 December 2011					
	Self financed		Financed by IAH		Self financed		Financed by IAH	
	Total gross credit exposure US\$ '000	*Average gross credit exposure over the period US\$ '000	Total gross credit exposure US\$ '000	*Average gross credit exposure over the period US\$ '000	Total gross credit exposure US\$ '000	*Average gross credit exposure over the year US\$ '000	Total gross credit exposure US\$ '000	*Average gross credit exposure over the year US\$ '000
Funded Exposure								
Receivables	4,211,293	4,165,522	5,195,684	5,041,936	3,866,518	3,525,948	4,346,539	4,684,001
Mudaraba and Musharaka financing	397,891	389,595	461,489	467,787	457,105	392,581	493,830	527,093
Investments	717,765	745,016	1,117,426	1,125,597	964,652	926,974	1,125,601	1,080,010
Ijarah Muntahia Bittamleek	281,389	268,784	352,412	345,982	243,152	208,661	320,569	295,986
Other assets	106,967	117,698	102,413	93,738	83,153	97,727	82,696	81,164
Unfunded Exposure								
Commitments and contingencies	5,126,067	5,033,964	-	-	4,696,414	4,567,709	-	-
	10,841,372	10,720,578	7,229,424	7,075,039	10,310,994	9,719,600	6,369,235	6,668,254

*Average Balances are computed based on quarter-end balances.

AI Baraka Banking Group B.S.C.
ADDITIONAL PUBLIC DISCLOSURES
 30 June 2012 (Unaudited)

4 RISK MANAGEMENT (continued)

b) Credit risk (continued)

Table - 9. Geographic distribution of the gross funded exposure (PD-1.3.23(b))

The following table summarises the geographic distribution of gross funded exposure as of 30 June 2012, broken down into significant areas by major types of credit exposure:

	Self financed					Financed by IAH						
	Middle East US\$ '000	North Africa US\$ '000	Europe US\$ '000	Others US\$ '000	Middle East US\$ '000	North Africa US\$ '000	Europe US\$ '000	Others US\$ '000	Middle East US\$ '000	North Africa US\$ '000	Europe US\$ '000	Others US\$ '000
Receivables	1,286,798	432,865	2,365,006	126,624	2,403,179	326,178	2,161,363	304,964				
Mudaraba and Musharaka financing	233,457	48,855	64,014	51,565	200,483	46,803	-	214,203				
Investments	434,314	12,435	113,516	157,500	917,026	-	-	200,400				
Ijarah Muntahia Bittamleek	152,416	97,631	23,936	7,406	264,481	65,431	406	22,094				
Other Assets	57,543	28,479	3,305	17,640	53,408	19,445	5,095	24,465				
	2,164,528	620,265	2,569,777	360,735	3,838,577	457,857	2,166,864	766,126				

The following table summarises the geographic distribution of gross funded exposure as of 31 December 2011, broken down into significant areas by major types of credit exposure:

	Self financed					Financed by IAH						
	Middle East US\$ '000	North Africa US\$ '000	Europe US\$ '000	Others US\$ '000	Middle East US\$ '000	North Africa US\$ '000	Europe US\$ '000	Others US\$ '000	Middle East US\$ '000	North Africa US\$ '000	Europe US\$ '000	Others US\$ '000
Receivables	1,116,660	506,330	2,100,978	142,550	1,968,093	368,664	1,686,894	322,888				
Mudaraba and Musharaka financing	315,068	39,233	54,114	48,690	257,138	34,008	-	202,684				
Investments	458,654	12,448	277,049	216,501	909,558	-	-	216,043				
Ijarah Muntahia Bittamleek	141,933	84,286	10,026	6,907	239,587	56,751	1,688	22,543				
Other Assets	39,292	25,982	1,991	15,888	37,991	17,841	2,885	23,979				
	2,071,607	668,279	2,444,158	430,536	3,412,367	477,264	1,691,467	788,137				

Al Baraka Banking Group B.S.C.
 ADDITIONAL PUBLIC DISCLOSURES
 30 June 2012 (Unaudited)

4 RISK MANAGEMENT (continued)

b) Credit risk (continued)

Table - 10. Exposure by counterparty type (PD-1.3.23(c))

The following table summarises the distribution of funded and unfunded exposure by counterparty type, broken down by major types of credit exposures as of 30 June 2012:

	Funded Exposures						Unfunded Exposures and contingencies						Funded and Unfunded Exposures	
	Receivables		Mudharaba and Musharaka financing		Investments		Ijarah Murabahah Bittamleek		Other Assets		Commitments and contingencies		Self	IAH
	US\$ '000	IAH US\$ '000	Self US\$ '000	IAH US\$ '000	Self US\$ '000	IAH US\$ '000	Self US\$ '000	IAH US\$ '000	Self US\$ '000	IAH US\$ '000	Self US\$ '000	IAH US\$ '000	Self US\$ '000	IAH US\$ '000
Claims on sovereigns	244,596	419,010	-	3,044	496,311	914,403	-	18,104	-	-	64,960	-	805,867	1,354,561
Claims on multi-lateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims on investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims on banks	137,450	274,725	6,055	44,227	16,395	9,737	-	1,779	-	-	91,742	-	251,642	330,468
Claims on corporates	3,074,335	2,834,644	12,085	37,405	3,215	26,994	128,189	69,340	-	-	4,876,709	-	8,094,533	2,968,383
Claims on retail	681,453	1,537,244	-	8,021	-	2,421	153,200	263,189	-	-	75,160	-	909,813	1,810,875
Past dues receivables	73,459	130,061	-	14,080	-	-	-	-	-	-	17,496	-	90,955	144,141
Equity investment	-	-	261,560	72,517	124,897	57,935	-	-	-	-	-	-	386,457	130,452
Investment in Funds	-	-	-	-	30,207	20,506	-	-	-	-	-	-	30,207	20,506
Specialized Lending	-	-	118,191	282,195	-	-	-	-	-	-	-	-	118,191	282,195
Other assets	-	-	-	-	46,740	85,430	-	-	106,967	102,413	-	-	153,707	187,843
Total	4,211,293	5,195,684	397,891	461,489	717,765	1,117,426	281,389	352,412	106,967	102,413	5,126,067	-	10,841,372	7,229,424

Al Baraka Banking Group B.S.C.
 ADDITIONAL PUBLIC DISCLOSURES
 30 June 2012 (Unaudited)

4 RISK MANAGEMENT (continued)

b) Credit risk (continued)

Table - 10. Exposure by counterparty type (PD-1.3.23(c)) (continued)

The following table summarises the distribution of funded and unfunded exposure by counterparty type, broken down by major types of credit exposures as of 31 December 2011:

	Receivables		Mudaraba and Musharaka financing		Investments		Ijarah Muntahia Bittamleek		Other Assets		Commitments and contingencies		Funded and Unfunded Exposures	
	US\$ '000		US\$ '000		US\$ '000		US\$ '000		US\$ '000		US\$ '000		US\$ '000	
	Self	IAH	Self	IAH	Self	IAH	Self	IAH	Self	IAH	Self	IAH	Self	IAH
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Claims on sovereigns	65,712	53,889	-	-	628,669	758,370	18,971	-	-	-	58,743	-	753,124	831,230
Claims on multi-lateral development banks	2,642	16,820	-	-	-	-	-	-	-	-	-	-	2,642	16,820
Claims on investment firms	177	-	-	-	-	-	-	-	-	-	-	-	177	-
Claims on banks	240,408	425,197	238,383	51,372	122,836	197,958	-	35,437	-	196,871	-	798,498	709,964	
Claims on corporates	2,847,567	2,317,003	12,153	8,538	-	10,481	60,095	84,076	-	4,164,099	-	7,083,914	2,420,098	
Claims on retail	690,129	1,444,125	-	-	-	-	182,897	181,816	-	276,701	-	1,149,727	1,625,941	
Past dues receivables	19,883	89,505	-	-	-	520	160	269	-	-	-	20,043	90,294	
Equity investment	-	-	121,755	73,824	101,764	49,611	-	-	-	-	-	223,519	123,435	
Investment in Funds	-	-	-	-	66,618	25,314	-	-	-	-	-	-	66,618	25,314
Specialized Lending	-	-	84,814	360,096	-	-	-	-	-	-	-	-	84,814	360,096
Other assets	-	-	-	-	44,765	83,347	-	-	83,153	82,696	-	-	127,918	166,043
Total	3,866,518	4,346,539	457,105	493,830	964,652	1,125,601	243,152	320,569	83,153	82,696	4,696,414	-	10,310,994	6,369,235

The Group is working in a highly regulated environment which monitors high risk credit exposures on a regular basis.

Al Baraka Banking Group B.S.C.

ADDITIONAL PUBLIC DISCLOSURES

30 June 2012 (Unaudited)

4 RISK MANAGEMENT (continued)

b) Credit risk (continued)

Large Credit Exposure (PD - 1.3.23 (f))

The Group follows the CBB's guidelines with respect to the definition and measurement of large exposures at the consolidated level as stipulated in the CBB Rulebook for Islamic Banks.

There are no large exposures to individual counterparties where the exposure is in excess of the 15% individual obligor limit that qualifies for the deduction requirement as per CBB's guidelines.

Table -11. Credit quality of Islamic financing contracts by counterparty type (PD-1.3.23(h), 1.3.24 (b))

The following table summarises the total past due, non performing and neither past due nor non performing Islamic financing contracts and aging of non performing Islamic financing contracts disclosed by counterparty type as of 30 June 2012:

	Total US\$ '000	Neither past due nor non performing US\$ '000	Past due but performing US\$ '000	Non performing Islamic financing contracts US\$ '000	Aging of non performing Islamic financing contracts		
					90 days to 1 year US\$ '000	1 year to 3 years US\$ '000	Over 3 years US\$ '000
Sovereign	737,265	736,906	359	-	-	-	-
Bank	616,523	615,903	59	561	-	-	561
Investment Firms	192,933	155,773	121	37,039	155	155	36,884
Corporates	6,272,395	5,897,019	64,986	310,390	77,543	117,203	115,644
Retail	3,052,121	2,750,210	102,347	199,564	70,875	88,326	40,363
	10,871,237	10,155,811	167,872	547,554	148,418	205,684	193,452

Al Baraka Banking Group B.S.C.
 ADDITIONAL PUBLIC DISCLOSURES
 30 June 2012 (Unaudited)

4 RISK MANAGEMENT (continued)

b) Credit risk (continued)

Table -11. Credit quality of Islamic financing contracts by counterparty type (PD-1.3.23(h), 1.3.24 (b)) (continued)

The following table summarises the total past due, non performing and neither past due nor non performing Islamic financing contracts and aging of non performing Islamic financing contracts disclosed by counterparty type as of 31 December 2011:

	Total US\$ '000	Neither past due nor non performing US\$ '000	Past due but performing US\$ '000	Non performing Islamic financing contracts US\$ '000	Aging of non performing Islamic financing contracts		
					90 days to 1 year US\$ '000	1 year to 3 years US\$ '000	Over 3 years US\$ '000
Sovereign	160,971	158,617	2,354	-	-	-	-
Bank	822,866	822,305	-	561	-	-	561
Investment Firms	203,555	158,397	-	45,158	5,218	18,037	21,903
Corporates	5,458,143	5,145,255	23,389	289,499	69,021	104,549	115,929
Retail	3,066,030	2,777,507	108,389	180,134	62,548	87,701	29,885
	9,711,565	9,062,081	134,132	515,352	136,787	210,287	168,278

ADDITIONAL PUBLIC DISCLOSURES

30 June 2012 (Unaudited)

4 RISK MANAGEMENT (continued)

b) Credit risk (continued)

Table -12. Specific provisions by counterparty type (PD-1.3.23 (h), 1.3.24 (d))

The following table summarises the total specific provisions disclosed by counterparty type as of 30 June 2012:

	Specific provisions						Balance at the end of the period US\$ '000
	Opening Balance US\$ '000	Charges during the period US\$ '000	Write-Back during the period US\$ '000	Write-offs during the period US\$ '000	Appropriation from IAH during the period US\$ '000	Foreign exchange translations/ others US\$ '000	
Bank	2,650	311	(107)	-	-	(10)	2,844
Investment Firms	7,994	1,200	-	(26)	-	(174)	8,994
Corporates	270,529	30,516	(11,174)	(1,907)	(312)	2,668	290,320
Retail	103,342	11,720	(5,681)	(352)	927	514	110,470
	384,515	43,747	(16,962)	(2,285)	615	2,998	412,628

Al Baraka Banking Group B.S.C.
ADDITIONAL PUBLIC DISCLOSURES
 30 June 2012 (Unaudited)

4 RISK MANAGEMENT (continued)

b) Credit risk (continued)

Table -12. Specific provisions by counterparty type (PD-1.3.23 (h), 1.3.24 (d)) (continued)

The following table summarises the total specific provisions disclosed by counterparty type as of 30 June 2011:

	Specific provisions					Balance at the end of the period US\$ '000
	Opening Balance US\$ '000	Charges during the period US\$ '000	Write-Back during the period US\$ '000	Write-offs during the period US\$ '000	Appropriation from IAH during the year US\$ '000	
Bank	2,832	293	(302)	(4)	-	2,868
Investment Firms	3,440	1,911	-	(96)	-	5,251
Corporates	277,547	32,251	(22,767)	(9,273)	2,571	276,611
Retail	89,987	3,133	(2,268)	(83)	6,444	95,060
	373,806	37,588	(25,337)	(9,456)	9,015	379,790

Table -13. General provisions movement (PD-1.3.23 (h), 1.3.24 (d))

The following table summarises the movement of general provisions during the period ended:

	30 June 2011 US\$ '000	30 June 2012 US\$ '000
Opening Balance	12,128	12,128
Charges during the period	12,966	12,966
Write-Back during the period	-	-
Write-offs during the period	-	-
Foreign exchange translations/ others	(10,673)	(10,673)
Balance at the end of the period	14,421	14,421

This represents collective provision against exposures which, although not specifically identified, have a greater risk of default than when originally granted.

ADDITIONAL PUBLIC DISCLOSURES

30 June 2012 (Unaudited)

4 RISK MANAGEMENT (continued)

b) Credit Risk (continued)

Table - 14. Past due and non-performing Islamic financing contracts and provisions by geographic areas (PD-1.3.23(i), PD-1.3.24(c))

The following table summarises the total past due and non performing Islamic financing contracts and provisions disclosed by geographical area as of:

	30 June 2012		31 December 2011			
	Past due and non performing Islamic financing contracts US\$ '000	Specific provision US\$ '000	General provision US\$ '000	Past due and non performing Islamic financing contracts US\$ '000	Specific provision US\$ '000	General provision US\$ '000
Middle East	328,352	238,791	15,900	315,184	224,956	14,513
North Africa	119,927	47,097	277	65,091	37,955	322
Europe	100,950	93,230	-	91,109	84,923	602
Others	166,197	33,510	-	178,100	36,681	(134)
	715,426	412,628	16,177	649,484	384,515	15,303

Table - 15. Renegotiated Islamic financing contracts (PD-1.3.23(j))

Renegotiated Islamic financing contracts

	30 June 2012	31 December 2011
	67,011	76,249

There is no significant impact of the renegotiated Islamic financing contracts on the provisions as well as present and future earnings. In addition, the magnitude of the restructuring activities is immaterial.

Others (PD-1.3.23(k), (l), PD-1.3.25(b) & (c))

The Group has no significant obligations with respect to recourse transaction.

The Group has not imposed any material penalties on customers for defaults.

The Group does not make use of eligible collaterals and guarantees in its credit risk analysis.

Al Baraka Banking Group B.S.C.
ADDITIONAL PUBLIC DISCLOSURES
 30 June 2012 (Unaudited)

4 RISK MANAGEMENT (continued)

b) Credit risk (continued)

Table - 16. Counterparty Credit (PD-1.3.26 (b))

The following table summarises the counterparty credit risk exposure covered by collateral after the application of haircuts as of:

	30 June 2012 US\$ '000	31 December 2011 US\$ '000
Gross positive fair value of contracts	12,735,349	11,817,966
Netting Benefits	-	-
Netted Current Credit Exposure	12,735,349	11,817,966
Collateral held:		
Cash	587,814	532,164
Others	3,925,769	3,174,853
Real Estate	9,373,597	8,125,478
	13,887,180	11,832,495

The utilisation of the collaterals will be on a customer by customer basis and will be limited to the customer's total exposure.

Al Baraka Banking Group B.S.C.
ADDITIONAL PUBLIC DISCLOSURES

30 June 2012 (Unaudited)

4 RISK MANAGEMENT (continued)

c) Market risk

Market risk includes profit rate risk, displaced commercial risk, equity price risk and foreign exchange rate risk. The management of the Group have set limits on the level of risk that may be accepted. This is monitored by the local management at the subsidiary level.

Table – 17. Market Risk Capital Requirements (PD-1.3.27 (b))

The following table summarises the capital requirement for each category of market risk as of:

	30 June 2012		31 December 2011	
	<i>Equity position risk</i> US\$ '000	<i>Foreign exchange risk</i> US\$ '000	<i>Equity position risk</i> US\$ '000	<i>Foreign exchange risk</i> US\$ '000
Risk weighted exposure (RWE)	-	932,618	888	866,182
Capital requirements (12%)	-	111,914	107	103,942
Maximum value of RWE	-	1,047,826	6,988	1,054,250
Minimum value of RWE	-	932,618	888	866,182

Profit rate risk

Profit rate risk is the risk that the Group will incur a financial loss as a result of mismatch in the profit rate on the Group's assets and IAH. The profit distribution to IAH is based on profit sharing agreements. Therefore, the Group is not subject to any significant profit rate risk.

Displaced Commercial Risk

The Group is exposed to displaced commercial risk in the event of having IAH profit rates that are lower than market rates. The Group has partially mitigated this risk through the setting up of reserves that will be used in case of a drop in IAH profit rates. The policies and procedures for displaced commercial risk are formulated and implemented at the individual subsidiary level.

Equity price risk

Equity price risk is the risk that the fair values of equities decrease as the result of changes in the levels of equity indices and the value of individual stocks. The equity price risk exposure arises from the Group's investment portfolio.

Equity-type instruments at fair value through equity and investments in real estate are kept for capital gain purposes.

If financial instruments qualify to be included in the trading book, these must not exceed 25% of the total subsidiary's assets portfolio. For equity securities, the subsidiaries are required to observe the sectoral concentration limits outlined by the Group and/or their local requirement in this respect. Since trading securities in the trading book would be under marked-to-market requirement, the Risk Manager at the subsidiary level should immediately bring to the Credit and Risk Management at the Group as well as the subsidiary's asset/liability committee any volatility of position's value that is 15% or higher than the subsidiary's eligible capital to decide upon the appropriate course of action.

Al Baraka Banking Group B.S.C.
ADDITIONAL PUBLIC DISCLOSURES

30 June 2012 (Unaudited)

4 RISK MANAGEMENT (continued)

c) Market risk (continued)

Table – 18. Equity Position Risk in Banking Book (PD-1.3.31 (b) (c) & (f))

The following table summarises the total and average gross exposure of equity based financing structures by types of financing contracts and investments as of 30 June 2012:

	<i>Total gross exposure US\$ '000</i>	<i>Average gross exposure over the period US\$ '000</i>	<i>Publicly held US\$ '000</i>	<i>Privately held US\$ '000</i>	<i>Capital requirement US\$ '000</i>
Sukook and similar items	1,466,816	1,490,449	545,123	921,693	3,149
Equity Investment	188,371	195,990	75,294	113,077	23,710
Managed funds	47,834	51,322	39,328	8,506	5,836
	1,703,021	1,737,761	659,745	1,043,276	32,695

The following table summarises the total and average gross exposure of equity based financing structures by types of financing contracts and investments as of 31 December 2011:

	<i>Total gross exposure US\$ '000</i>	<i>Average gross exposure over the year US\$ '000</i>	<i>Publicly held US\$ '000</i>	<i>Privately held US\$ '000</i>	<i>Capital requirement US\$ '000</i>
Sukook and similar items	1,708,751	1,566,382	76,803	1,631,948	4,775
Equity Investment	191,683	183,696	79,213	112,470	25,196
Managed funds	61,263	127,112	40,020	21,243	19,153
	1,961,697	1,877,190	196,036	1,765,661	49,124

Table – 19. Equity gains or losses in banking book (PD-1.3.31 (d) and (e))

The following table summarises the cumulative realised and unrealised gains or losses during the period ended:

	30 June 2012 US\$ '000	30 June 2011 US\$ '000
Cumulative realised gains arising from sales or liquidations in the reporting period	110	215
Total unrealized losses recognised in the consolidated statement of financial positions but not through consolidated statement of income	(6,929)	(6,486)
Unrealised gross losses included in Tier 1 Capital	46,085	42,726
Unrealised gains included in Tier 1 Capital (45% only)	-	-
Unrealised gains included in Tier 2 Capital (45% only)	17,620	16,704

ADDITIONAL PUBLIC DISCLOSURES

30 June 2012 (Unaudited)

4 RISK MANAGEMENT (continued)

c) Market risk (continued)

Foreign exchange risk

Foreign exchange risk arise from the movement of the rate of exchange over a period of time. Positions are monitored on a regular basis to ensure positions are maintained within established approved limits.

Table – 20. Foreign currency translation risk (PD-1.3.42)

Following is the Group's exposure to different currencies in equivalent US dollars as of:

	30 June 2012			31 December 2011		
	<i>Operational equivalent Long (short) US\$ '000</i>	<i>Strategic equivalent Long (short) US\$ '000</i>	<i>Total equivalent Long (short) US\$ '000</i>	<i>Operational equivalent Long (short) US\$ '000</i>	<i>Strategic equivalent Long (short) US\$ '000</i>	<i>Total equivalent Long (short) US\$ '000</i>
Currency						
Turkish Lira	(5,358)	348,490	343,132	(2,023)	304,458	302,435
Jordanian Dinar	5,351	203,579	208,930	7,316	197,871	205,187
Egyptian Pound	(16,852)	115,594	98,742	(11,820)	107,336	95,516
Sudanese Pound	(172)	21,469	21,297	(13,198)	39,728	26,530
Algerian Dinar	-	125,460	125,460	-	135,674	135,674
Lebanese Pound	(120)	18,083	17,963	(7,540)	16,835	9,295
Pound Sterling	(1,689)	-	(1,689)	2,159	-	2,159
Tunisian Dinar	1,377	-	1,377	(3,402)	-	(3,402)
Euro	14,962	-	14,962	3,820	-	3,820
South African Rand	-	26,355	26,355	-	26,741	26,741
Pakistani Rupees	7,284	41,932	49,216	18,941	39,881	58,822
Syrian Pound	(43,898)	8,801	(35,097)	(32,691)	10,266	(22,425)
Others	1,079	-	1,079	(6,680)	-	(6,680)

Foreign currency risk sensitivity analysis

In order to measure its exposures to currency risk, the Group stress tests its exposures following the standard shocks adopted by Derivatives Policy Group in this respect which calculates the effect on assets and income of the Group as a result of appreciation and depreciation in foreign currencies in relation to the reporting currency of the Group. This is done using various percentages based upon the judgement of the management of the Group.

Al Baraka Banking Group B.S.C.
ADDITIONAL PUBLIC DISCLOSURES

30 June 2012 (Unaudited)

4 RISK MANAGEMENT (continued)

c) Market risk (continued)

Table – 21. Foreign currency risk sensitivity analysis (PD-1.3.42)

Following is the sensitivity analysis that calculates the effect of a reasonable possible movement of the currency exchange rate against the US Dollar with all other variables held constant on the consolidated statement of income and the consolidated statement of equity. The impact of a similar increase in exchange rates will be approximately opposite to the impact disclosed below.

At 30 June 2012

Currency	Particular	Exposures in US\$ '000	Variance %	Change in net income and equity US\$ '000
Algerian Dinar	Net Income	27,794	(10%)	(2,527)
	Total Equity	98,981	(10%)	(20,404)
Egyptian Pound	Net Income	11,798	(15%)	(1,539)
	Total Equity	41,291	(15%)	(20,463)
Turkish Lira	Net Income	53,247	(20%)	(8,875)
	Total Equity	266,732	(20%)	(102,537)
Sudanese Pound	Net Income	2,755	(25%)	(551)
	Total Equity	4,688	(25%)	(5,232)
S.African Rand	Net Income	1,040	(15%)	(136)
	Total Equity	16,165	(15%)	(5,546)
Syrian Pound	Net Income	3,142	(20%)	(524)
	Total Equity	29,464	(20%)	(6,378)
Pakistani Rupees	Net Loss	(2,093)	(15%)	273
	Total Equity	14,667	(15%)	(7,382)

At 31 December 2011

Currency	Particular	Exposures in US\$ '000	Variance %	Change in net income and equity US\$ '000
Algerian Dinar	Net Income	51,161	(10%)	(4,851)
	Total Equity	107,039	(10%)	(22,065)
Egyptian Pound	Net Income	16,952	(15%)	(2,211)
	Total Equity	38,341	(15%)	(19,001)
Turkish Lira	Net Income	103,413	(20%)	(17,235)
	Total Equity	233,030	(20%)	(89,581)
Sudanese Pound	Net Income	6,604	(10%)	(600)
	Total Equity	8,676	(10%)	(4,400)
S.African Rand	Net Income	2,523	(15%)	(329)
	Total Equity	16,402	(15%)	(5,627)
Syrian Pound	Net Income	3,643	(20%)	(607)
	Total Equity	34,369	(20%)	(7,439)
Pakistani Rupees	Net Income	2,313	(15%)	(302)
	Total Equity	21,816	(15%)	(8,047)

Al Baraka Banking Group B.S.C.
ADDITIONAL PUBLIC DISCLOSURES

30 June 2012 (Unaudited)

4 RISK MANAGEMENT (continued)

d) Operational Risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk.

Table - 22. Operational risk exposure (PD-1.3.30 (a), (b) & (c))

The following table summarises the amount of exposure subject to basic indicator approach of operational risk and related capital requirements:

	Gross income	
	2011 <i>US\$ '000</i>	2010 <i>US\$ '000</i>
		2009 <i>US\$ '000</i>
Total Gross Income	740,944	648,741
		633,513
		<i>June</i>
		<i>December</i>
		2012
		2011
Indicators of operational risk		
Average Gross income (US\$ '000)		674,399
Multiplier		674,399
		12.5
		12.5
		8,429,988
		8,429,988
Eligible Portion for the purpose of the calculation		15%
		15%
TOTAL OPERATIONAL RISK WEIGHTED EXPOSURE (US\$ '000)	1,264,498	1,264,498

The Group has no material legal contingencies including pending legal action.

Al Baraka Banking Group B.S.C.
ADDITIONAL PUBLIC DISCLOSURES

30 June 2012 (Unaudited)

5 EQUITY OF INVESTMENT ACCOUNTHOLDERS DISCLOSURES

The Group is exposed to some of the price risk on assets funded by IAH. The CBB requires the Group to maintain capital to cover the price risk arising from 30% of assets funded by IAH on a pro-rata basis. IAH funds are invested and managed in accordance with Shari'a requirements.

Table – 23. Equity of Investment Accountholders (PD-1.3.33 (a), (b), (c))

The following table summarises the breakdown of IAH and return on IAH as of:

	30 June 2012 US\$ '000	31 December 2011 US\$ '000
IAH - Banks	163,670	287,751
IAH - Non-banks	10,430,951	10,071,167
Profit equalisation reserve (PER) - Banks	137	228
Profit equalisation reserve (PER) - Non-banks	8,590	7,806
Investment risk reserve (IRR) - Banks	1,678	2,654
Investment risk reserve (IRR) - Non-banks	104,842	90,999
Cumulative changes in fair value attributable to IAH	5,561	5,313
	10,715,429	10,465,918

Table - 24. Return on average IAH (PD-1.3.33 (d))

	30 June 2012 %	30 June 2011 %
Return on average IAH Equity	3%	3%
Return on average IAH Assets	4%	4%

Table - 25. Ratio by type of IAH (PD-1.3.33 (g))

	30 June 2012 %	31 December 2011 %
IAH - Banks	2	3
IAH - Non-banks	98	97

The appropriation percentage of IAH into profit equalisation reserve and investment risk reserve varies between each of the Group's subsidiary based on market conditions and applicable rules and regulations.

Table – 26. IAH by Islamic financing product type (PD-1.3.33 (h))

The following table summarises the percentage of IAH financing for each type of Shari'a-compliant contract to total IAH financing as of:

	30 June 2012 %	31 December 2011 %
Receivables	86	84
Mudaraba and Musharaka financing	8	10
Ijarah Muntahia Bittamleek	6	6

Al Baraka Banking Group B.S.C.
ADDITIONAL PUBLIC DISCLOSURES

30 June 2012 (Unaudited)

5 EQUITY OF INVESTMENT ACCOUNTHOLDERS DISCLOSURES (continued)

Table – 27. IAH by Counterparty Type (PD-1.3.33 (i))

The following table summarises the percentage of financing for each category of counterparty to total financing as of:

	30 June	31 December
	2012	2011
	%	%
Sovereign	2	2
Bank	9	10
Investment Firms	1	1
Corporates	16	16
Retail	72	71

Table - 28. Movement in Profit Equalisation Reserve and Investment Risk Reserve (PD-1.3.33 (o), (p))

The following table summarises the movement on profit equalisation reserve (PER) and utilization and computation of PER during the six months period ended 30 June 2012 and 30 June 2011:

Movement in profit equalisation reserve	2012	2011
	US\$ '000	US\$ '000
Balance at 1 January	8,034	2,667
Amount apportioned from income allocable to equity of investment accountholders	1,132	35
Foreign exchange translations investment accountholders	(439)	56
Balance at 30 June	8,727	2,758

The following table summarises the movement on profit equalisation reserve (PER) and utilization and computation of PER during the six months period ended 30 June 2012 and 30 June 2011:

Movement in investment risk reserve	2012	2011
	US\$ '000	US\$ '000
Balance at 1 January	93,653	87,004
Amount appropriated to provision	(615)	(9,015)
Amount apportioned from income allocable to equity of investment accountholders	19,348	20,879
Foreign exchange translations	(5,866)	(3,260)
Balance at 30 June	106,520	95,608

Al Baraka Banking Group B.S.C.
ADDITIONAL PUBLIC DISCLOSURES

30 June 2012 (Unaudited)

5 EQUITY OF INVESTMENT ACCOUNTHOLDERS DISCLOSURES (continued)

IAH Share of Profit (PD-1.3.33 (e) & (q))

The Group's share of profit as a Mudarib for managing IAH and the IAHs' share of income is based on the terms and conditions of the related Mudaraba agreements. These Mudaraba agreements are done at the individual subsidiary level. The rates and return are highly variable based on each of the subsidiaries' local environment as well as local rules and regulations. Detailed disclosures on IAH returns are analysed at the local level.

Table – 29. IAH by type of Assets (PD-1.3.33 (r) & (s))

The following table summarises the types of assets in which the funds are invested, the actual allocation among various types of assets and the changes in the asset allocation in the first six months of the year ended:

	30 June 2012			31 December 2011		
	Opening Actual Allocation US\$ '000	Movement US\$ '000	Closing Actual Allocation US\$ '000	Opening Actual Allocation US\$ '000	Movement US\$ '000	Closing Actual Allocation US\$ '000
Cash and balances						
with banks	3,990,647	(616,037)	3,374,610	3,434,903	555,744	3,990,647
Receivables	4,346,539	849,145	5,195,684	4,883,977	(537,438)	4,346,539
Mudaraba and						
Musharaka financing	493,830	(32,341)	461,489	538,055	(44,225)	493,830
Investments	1,125,604	(8,178)	1,117,426	1,094,995	30,609	1,125,604
Ijarah Muntahia						
Bittamleek	320,568	31,844	352,412	287,340	33,228	320,568
Other assets	188,730	25,078	213,808	205,278	(16,548)	188,730
	10,465,918	249,511	10,715,429	10,444,548	21,370	10,465,918

Table – 30. Treatment of Assets financed by Equity of IAH (PD-1.3.33 (v))

The following table summarises the treatment of assets financed by IAH in the calculation of risk weighted assets (RWA) for capital adequacy purposes as of:

Type of Claims	30 June 2012			31 December 2011		
	RWA US\$ '000	RWA for Capital adequacy purposes US\$ '000	Capital Charges US\$ '000	RWA US\$ '000	RWA for Capital adequacy purposes US\$ '000	Capital Charges US\$ '000
Claims on Sovereign	150,505	45,152	5,418	308,069	92,421	11,091
Claims on PSEs	4,428	1,328	159	3,284	985	118
Claims on MDBs	-	-	-	-	-	-
Claims on Banks	196,928	59,078	7,089	269,538	80,861	9,703
Claims on Corporates	4,398,163	1,319,449	158,334	3,727,770	1,118,331	134,200
Regulatory Retail						
Portfolio	682,772	204,832	24,580	672,041	201,612	24,193
Mortgage	655,226	196,568	23,588	587,385	176,216	21,146
Past due facilities	193,624	58,087	6,970	120,301	36,090	4,331
Investment in securities	228,077	68,423	8,211	197,142	59,143	7,097
Holding of Real Estates	180,547	54,164	6,500	186,584	55,975	6,717
Other Assets	415,083	124,525	14,943	525,475	157,643	18,917
	7,105,353	2,131,606	255,792	6,597,589	1,979,277	237,513

6 OFF-BALANCE SHEET EQUITY OF INVESTMENT ACCOUNTHOLDERS

Table – 31. Off-balance sheet equity of IAH by Islamic Financing product type (PD-1.3.33 (h))

The following table summarises the percentage of financing for each type of Shari'a-compliant contract to total financing as of:

	30 June 2012	31 December 2011
	%	%
Receivables	43	34
Mudaraba and Musharaka financing	57	66

Table – 32. Off-balance sheet equity of IAH by Counterparty Type (PD-1.3.33 (i))

The following table summarises the percentage of financing for each category of counterparty to total financing as of:

	30 June 2012	31 December 2011
	%	%
Sovereign	1	2
Bank	59	47
Corporates	14	15
Retail	26	36

Off-Balance Sheet Equity of IAH Share of Profit (PD-1.3.33 (e) & (q))

The Group's share of profit as a Mudarib for managing IAH and off-balance sheet IAH's share of income is based on the terms and conditions of the related mudaraba agreements. These mudaraba agreements are done at the individual subsidiary level. The rates and return are highly variable based on each of the subsidiaries' local environment as well as local rules and regulations. Detailed disclosures on off-balance sheet equity of investment accountholders' returns are analysed at the local level.