

Al Baraka Banking Group B.S.C.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

31 MARCH 2016 (REVIEWED)

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF AL BARAKA BANKING GROUP B.S.C.

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of Al Baraka Banking Group B.S.C. (the "Bank") and its subsidiaries (together the "Group") as at 31 March 2016, and the related interim consolidated statements of income, cash flows, changes in owners' equity and changes in off-balance sheet equity of investment accountholders for the three-month period then ended and explanatory notes. The Board of Directors and management are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the accounting policies disclosed in note 2. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with the accounting policies disclosed in note 2.



10 May 2016
Manama, Kingdom of Bahrain

Al Baraka Banking Group B.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2016 (Reviewed)

		<i>Audited</i>
		<i>31 March</i>
		<i>31 December</i>
		<i>2016</i>
		<i>2015</i>
	<i>Notes</i>	<i>US\$ '000</i>
		<i>US\$ '000</i>
ASSETS		
Cash and balances with banks		5,027,171
Receivables	3	12,393,731
Mudaraba and Musharaka financing	4	1,740,019
Investments	5	2,772,505
Ijarah Muntahia Bittamleek		1,742,055
Property and equipment		436,400
Other assets	6	480,555
TOTAL ASSETS		24,592,436
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Customer current and other accounts		4,822,604
Due to banks		823,088
Long term financing	7	1,594,256
Other liabilities	8	992,032
Total liabilities		8,231,980
EQUITY OF INVESTMENT ACCOUNTHOLDERS		14,255,730
OWNERS' EQUITY		
Share capital	12	1,149,218
Treasury shares		(8,722)
Share premium		17,776
Reserves		166,386
Cumulative changes in fair values		38,212
Foreign currency translations	12	(469,379)
Retained earnings		467,640
Proposed appropriations	12	-
Equity attributable to parent's shareholders		1,361,131
Non-controlling interest		743,595
Total owners' equity		2,104,726
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		24,592,436



Saleh Abdullah Kamel
Chairman



Adnan Ahmed Yousif
Member of the Board and
President and Chief Executive

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three months ended 31 March 2016 (Reviewed)

	<i>Three months ended</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>2016</i>	<i>2015</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
INCOME		
Net income from jointly financed contracts and investments	327,809	296,102
Return on equity of investment accountholders before Group's share as a Mudarib	(276,110)	(261,101)
Group's share as a Mudarib	98,475	90,792
Return on equity of investment accountholders	(177,635)	(170,309)
Group's share of income from equity of investment accountholders (as a Mudarib and Rabalmal)	150,174	125,793
Mudarib share for managing off-balance sheet equity of investment accountholders	638	727
Net income from self financed contracts and investments	74,712	59,451
Other fees and commission income	47,359	47,542
Other operating income	22,566	15,760
	295,449	249,273
Profit paid on long term financing	(19,814)	(11,413)
TOTAL OPERATING INCOME	275,635	237,860
OPERATING EXPENSES		
Staff expenses	94,144	80,279
Depreciation and amortisation	15,749	12,762
Other operating expenses	51,469	43,793
TOTAL OPERATING EXPENSES	161,362	136,834
NET INCOME FOR THE PERIOD BEFORE NET PROVISIONS AND TAXATION	114,273	101,026
Net provisions	(16,058)	(10,067)
NET INCOME FOR THE PERIOD BEFORE TAXATION	98,215	90,959
Taxation	(29,379)	(22,400)
NET INCOME FOR THE PERIOD	68,836	68,559
Attributable to:		
Equity holders of the parent	37,799	39,827
Non-controlling interest	31,037	28,732
	68,836	68,559
Basic and diluted earnings per share - US cents (note 11)	3.31	3.49



Saleh Abdullah Kamel
Chairman



Adnan Ahmed Yousif
Member of the Board and
President and Chief Executive

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

Al Baraka Banking Group B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2016 (Reviewed)

	<i>Three months ended</i>	
	31 March	31 March
	2016	2015
	US\$ '000	US\$ '000
OPERATING ACTIVITIES		
Net income for the period before taxation	98,215	90,959
Adjustments for:		
Depreciation and amortisation	15,749	12,762
Depreciation on Ijarah Muntahia Bittamleek	35,452	62,429
Unrealised gain on equity and debt-type instruments at fair value through statement of income	(60)	(47)
Gain on disposal of property and equipment	(455)	(2,697)
Gain on disposal of investment in real estate	(137)	-
Gain on disposal of equity-type instruments at fair value through equity	(55)	(514)
Gain on disposal of equity and debt-type instruments at fair value through statement of income	(137)	(1,037)
Net provisions	16,058	10,067
Income from associates	(150)	131
Operating profit before changes in operating assets and liabilities	164,480	172,053
Net changes in operating assets and liabilities:		
Reserves with central banks	686,343	(79,452)
Receivables	(448,729)	193,402
Mudaraba and Musharaka financing	(183,039)	(90,550)
Ijarah Muntahia Bittamleek	(43,051)	(134,131)
Other assets	6,493	21,133
Customer current and other accounts	(18,489)	(203,633)
Due to banks	14,820	34,829
Other liabilities	95,370	28,074
Equity of investment accountholders	(257,181)	(297,261)
Taxation paid	(69,279)	(50,049)
Net cash used in operating activities	(52,262)	(405,585)
INVESTING ACTIVITIES		
Net purchase of investments	331,668	(132,492)
Net (purchase) disposal of property and equipment	(3,355)	7,922
Dividend received from associates	(122)	599
Net disposal (purchase) of investment in associates	662	1,389
Net cash from (used in) investing activities	328,853	(122,582)
FINANCING ACTIVITIES		
Net movement in treasury shares	(144)	(12)
Long term financing	97,047	214,858
Net change in non-controlling interest	(20,757)	(23,001)
Net cash from financing activities	76,146	191,845
Foreign currency translation adjustments	(12,634)	(133,764)
NET CHANGE IN CASH AND CASH EQUIVALENTS	340,103	(470,086)
Cash and cash equivalents at 1 January	2,292,689	2,735,121
CASH AND CASH EQUIVALENTS AT 31 MARCH (note 14)	2,632,792	2,265,035

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

Al Baraka Banking Group B.S.C.
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
For the three months ended 31 March 2016 (Reviewed)

	Attributable to equity holders of the parent												
	Reserves					Cumulative changes in fair values							
	Share capital US\$ '000	Treasury shares US\$ '000	Share premium US\$ '000	Statutory reserve US\$ '000	Other reserves US\$ '000	Investments US\$ '000	Property and equipment US\$ '000	Foreign currency translation US\$ '000	Retained earnings US\$ '000	Appropriations US\$ '000	Total US\$ '000	Non-controlling interest US\$ '000	Total owners' equity US\$ '000
At 1 January 2016	1,115,746	(8,464)	17,662	124,585	40,874	2,229	36,300	(461,948)	433,631	55,787	1,356,402	738,181	2,094,583
Dividends (note 12)	-	-	-	-	-	-	-	-	172	(22,315)	(22,143)	-	(22,143)
Bonus shares issued (note 12)	33,472	-	-	-	-	-	-	-	-	(33,472)	-	-	-
Net movement in treasury shares	-	(258)	114	-	-	-	-	-	-	-	(144)	-	(144)
Net movement in cumulative changes in fair values	-	-	-	-	-	(317)	-	-	-	-	(317)	(139)	(456)
Net movement in other reserves	-	-	-	-	927	-	-	-	-	-	927	477	1,404
Foreign currency translation	-	-	-	-	-	-	-	(7,431)	-	-	(7,431)	(5,204)	(12,635)
Net income for the period	-	-	-	-	-	-	-	-	37,799	-	37,799	31,037	68,836
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(20,098)	(20,098)
Allocation of Zakah	-	-	-	-	-	-	-	-	(3,962)	-	(3,962)	-	(3,962)
Net movement in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(659)	(659)
At 31 March 2016	1,149,218	(8,722)	17,776	124,585	41,801	1,912	36,300	(469,379)	467,640	-	1,361,131	743,595	2,104,726

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

Al Baraka Banking Group B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the three months ended 31 March 2016 (Reviewed)

	Attributable to equity holders of the parent											
	Reserves											
	Share capital US\$ '000	Treasury shares US\$ '000	Share premium US\$ '000	Statutory reserve US\$ '000	Other reserves US\$ '000	Cumulative changes in fair values US\$ '000	Foreign currency translation US\$ '000	Retained earnings US\$ '000	Appropriations US\$ '000	Total US\$ '000	Non-controlling interest US\$ '000	Total owners' equity US\$ '000
At 1 January 2015	1,093,869	(8,261)	17,288	108,311	39,310	3,073	(313,602)	343,398	54,693	1,338,079	736,544	2,074,623
Dividends (note 12)	-	-	-	-	-	-	-	-	(32,816)	(32,816)	-	(32,816)
Bonus shares issued (note 12)	21,877	-	-	-	-	-	-	-	(21,877)	-	-	-
Net movement in treasury shares	-	(157)	145	-	-	-	-	-	-	(12)	-	(12)
Net movement in cumulative changes in fair values	-	-	-	-	-	(279)	-	-	-	(279)	(133)	(412)
Net movement in other reserves	-	-	-	-	5,859	-	-	-	-	5,859	2,204	8,063
Foreign currency translation	-	-	-	-	-	-	(78,156)	-	-	(78,156)	(55,608)	(133,764)
Net income for the period	-	-	-	-	-	-	-	39,827	-	39,827	28,732	68,559
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-	(23,001)	(23,001)
Effects of acquisition of non-controlling interest	-	-	-	-	-	-	-	(447)	-	(447)	447	-
At 31 March 2015	1,115,746	(8,418)	17,433	108,311	45,169	2,794	(391,758)	382,778	-	1,272,055	689,185	1,961,240

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

AI Baraka Banking Group B. S. C.

INTERIM STATEMENT OF CHANGES IN OFF-BALANCE SHEET EQUITY OF INVESTMENT ACCOUNTHOLDERS

For the three months ended 31 March 2016 (Reviewed)

	Cash US\$ '000	Sales receivables US\$ '000	Mudaraba financing US\$ '000	Investment in real estate US\$ '000	Ijarah Muntahia Bittamleek US\$ '000	Investments US\$ '000	Others US\$ '000	Total US\$ '000
At 1 January 2016	11,579	170,139	257,719	38,277	81,173	200,535	18,537	777,959
Deposits	42,160	25,960	259,867	479	5,851	6,966	10,703	351,986
Withdrawals	(6,227)	(25,835)	(234,130)	-	(967)	(33,472)	(14,492)	(315,123)
Income net of expenses	-	43	1,068	-	-	1,375	34	2,520
Mudarib's share	-	(640)	72	-	-	(36)	(34)	(638)
Foreign exchange translation	-	693	-	-	-	-	(4,405)	(3,712)
At 31 March 2016	47,512	170,360	284,596	38,756	86,057	175,368	10,343	812,992
At 1 January 2015	82,015	192,109	313,924	37,588	41,747	160,405	20,228	848,016
Deposits	16,051	24,376	130,270	195	5,498	43,070	12,285	231,745
Withdrawals	(3,150)	(108,919)	(146,626)	-	(2,243)	(33,421)	(23,337)	(317,696)
Income net of expenses	-	18	1,129	-	-	561	126	1,834
Mudarib's share	-	(655)	(46)	-	-	(5)	(21)	(727)
Foreign exchange translation	-	(5,260)	-	-	-	-	(2,605)	(7,865)
At 31 March 2015	94,916	101,669	298,651	37,783	45,002	170,610	6,676	755,307

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2016 (Reviewed)

1 ACTIVITIES

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 Bahrain Bay, P.O. Box 1882, 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.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of Preparation

These interim condensed consolidated financial statements for the three month period ended 31 March 2016 have been prepared in accordance with the guidance given by the International Accounting Standard 34 - "Interim Financial Reporting". The interim condensed consolidated financial statements do not contain all information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the annual consolidated financial statements as at 31 December 2015. In addition, results for the three month period ended 31 March 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016.

The interim condensed consolidated financial statements have been prepared on a historical cost basis, except for investment in real estate, equity and debt-type instruments through statement of income, equity-type instruments through equity and land occupied by the Group (classified as property and equipment) that have been measured at fair value. The interim condensed consolidated financial statements are presented in United States Dollars ('US\$') being the functional and reporting currency of the Group. All values are rounded to the nearest US\$ thousand ('US\$ '000') unless otherwise indicated.

Statement of compliance

The annual consolidated financial statements for the year ended 31 December 2015 were prepared in accordance with Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ('AAOIFI'), the Shari'a Rules and Principles as determined by the Shari'a Supervisory Board of the Group, the Bahrain Commercial Companies Law, the Central Bank of Bahrain and Financial Institutions Law and the CBB Rule Book (Volume 2 and applicable provisions of Volume 6) and CBB directives, regulations and associated resolutions and rules and procedures of the Bahrain Bourse. In accordance with the requirements of AAOIFI, for matters for which no AAOIFI standards exist including "Interim Financial Reporting," the Group uses the relevant International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), given it does not contradict with Shari'a Rules and Principles and the conceptual framework of AAOIFI.

Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Bank and its subsidiaries as at and for the period ended 31 March 2016. The financial statements of the subsidiaries are prepared for the same reporting period as the Bank, using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full.

Significant accounting policies

These interim condensed consolidated financial statements have been prepared using accounting policies, which are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2015, except for the adoption of FAS 27, which became effective from 1 January 2016.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2016 (Reviewed)

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)**Significant accounting policies (continued)****New standards, interpretations and amendments***FAS 27 - Investment Accounts*

The adoption of this standard require certain disclosures with respect to investment account holders and bases of profit allocation will be enhanced without having any significant impact on the financial statements of the Group.

Approval of the Interim Condensed Consolidated Financial Statements

These interim condensed consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 10 May 2016.

3 RECEIVABLES

	<i>Audited</i>	<i>Audited</i>
	<i>31 March</i>	<i>31 December</i>
	<i>2016</i>	<i>2015</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Sales (Murabaha) receivables	12,156,936	11,727,017
Ijarah receivables	58,548	34,832
Salam receivables	123,120	125,339
Istisna'a receivables	55,127	71,864
	<u>12,393,731</u>	<u>11,959,052</u>

4 MUDARABA AND MUSHARAKA FINANCING

	<i>Audited</i>	<i>Audited</i>
	<i>31 March</i>	<i>31 December</i>
	<i>2016</i>	<i>2015</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Mudaraba financing	1,148,461	1,043,517
Musharaka financing	591,558	515,076
	<u>1,740,019</u>	<u>1,558,593</u>

5 INVESTMENTS

	<i>Audited</i>	<i>Audited</i>
	<i>31 March</i>	<i>31 December</i>
	<i>2016</i>	<i>2015</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Equity and debt-type instruments at fair value through statement of income (5.1)	16,257	20,652
Equity-type instruments at fair value through equity (5.2)	101,738	102,810
Debt-type instruments at amortised cost (5.3)	2,420,383	2,748,405
	<u>2,538,378</u>	<u>2,871,867</u>
Investment in real estate (5.4)	188,046	187,412
Investment in associates	46,081	46,471
	<u>2,772,505</u>	<u>3,105,750</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2016 (Reviewed)

5 INVESTMENTS (continued)

5.1 Equity and debt-type instruments at fair value through statement of income

	<i>31 March 2016 US\$ '000</i>	<i>Audited 31 December 2015 US\$ '000</i>
Quoted investments		
Debts	15,236	12,467
Equities	896	822
Unquoted investments		
Equities	125	7,363
	16,257	20,652

5.2 Equity-type instruments at fair value through equity

	<i>31 March 2016 US\$ '000</i>	<i>Audited 31 December 2015 US\$ '000</i>
Quoted investments		
Equities	36,989	40,780
Managed funds	19,350	18,364
	56,339	59,144
Unquoted investments		
Equities	41,378	40,814
Managed funds	7,563	6,901
	48,941	47,715
Provisions	(3,542)	(4,049)
	101,738	102,810

5.3 Debt-type instruments at amortised cost

	<i>31 March 2016 US\$ '000</i>	<i>Audited 31 December 2015 US\$ '000</i>
Quoted investments		
Sukuk and similar items	1,576,076	1,649,408
	1,576,076	1,649,408
Unquoted investments		
Sukuk and similar items	848,492	1,103,442
	848,492	1,103,442
Provisions	(4,185)	(4,445)
	2,420,383	2,748,405

Quoted equity type instruments are investments which are fair valued using quoted prices in active markets for identical instruments and unquoted equity type instruments are investments that are fair valued using directly or indirectly observable inputs.

The Group's investments in sukuk and similar items held at amortised cost have fair values amounting to US\$ 2,589 million (31 December 2015: US\$ 2,821 million).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2016 (Reviewed)

5 INVESTMENTS (continued)

5.4 Investment in real estate

	<i>Audited</i>	
	<i>31 March 2016</i>	<i>31 December 2015</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Land	95,406	92,809
Buildings	92,640	94,603
	<u>188,046</u>	<u>187,412</u>

The following is a reconciliation between the carrying amounts of investment in real estate at the beginning and end of the period / year:

	<i>Audited</i>	
	<i>31 March 2016</i>	<i>31 December 2015</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Beginning balance of the period / year	187,412	159,549
Acquisition	3,086	35,905
Net (loss) gain from fair value adjustments	(435)	(2,629)
Disposal	(135)	(4,719)
Foreign exchange translation - net	(1,882)	(694)
	634	27,863
Ending balance of the period / year	<u>188,046</u>	<u>187,412</u>

6 OTHER ASSETS

	<i>Audited</i>	
	<i>31 March 2016</i>	<i>31 December 2015</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Bills receivable	117,564	148,108
Goodwill and intangible assets	102,474	102,284
Collateral pending sale	68,801	65,069
Prepayments	66,087	60,594
Deferred taxation	26,236	19,331
Good faith qard fund	18,124	13,799
Others	94,181	45,517
	<u>493,467</u>	<u>454,702</u>
Provisions	(12,912)	(12,370)
	<u>480,555</u>	<u>442,332</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2016 (Reviewed)

7 LONG TERM FINANCING

	<i>Audited</i>	
	<i>31 March</i>	<i>31 December</i>
	<i>2016</i>	<i>2015</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Murabaha financing	986,899	918,520
Subordinated financing obtained by a subsidiary	442,065	411,327
Wakala	165,292	167,361
	1,594,256	1,497,208

8 OTHER LIABILITIES

	<i>Audited</i>	
	<i>31 March</i>	<i>31 December</i>
	<i>2016</i>	<i>2015</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Payables	361,152	269,771
Cash margins	291,560	269,557
Managers' cheques	107,037	87,963
Other provisions	12,825	13,809
Current taxation	54,243	84,581
Deferred taxation	8,835	11,491
Accrued expenses	66,959	77,472
Charity fund	12,403	7,224
Others	77,018	40,576
	992,032	862,444

9 COMMITMENTS AND CONTINGENCIES

	<i>Audited</i>	
	<i>31 March</i>	<i>31 December</i>
	<i>2016</i>	<i>2015</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Letters of credit	937,341	810,168
Guarantees	3,323,992	3,105,059
Acceptances	78,245	52,315
Undrawn commitments	836,962	654,138
Others	126,339	249
	5,302,879	4,621,929

Al Baraka Banking Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2016 (Reviewed)

10 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise major shareholders, directors of the Group, entities owned or controlled, jointly controlled or significantly influenced by them and companies affiliated by virtue of shareholding in common with that of the Group and Shari'a supervisory board members.

The income and expenses in respect of related parties were as follows:

	Directors and key management personnel			Other related parties		Three months ended	
	Associated companies US\$ '000	Major shareholders US\$ '000	US\$ '000	US\$ '000	31 March 2016 US\$ '000	31 March 2015 US\$ '000	
Net income from jointly financed contracts and investments	563	-	28	-	591	598	
Net income from self financed contracts and investments	-	9	-	-	9	115	
Return on equity of investment accountholders	-	19	97	-	116	106	
Other fees and commission income	173	-	1	-	174	222	

The significant balances with related parties were as follows:

	Directors and key management personnel			Other related parties		Audited	
	Associated companies US\$ '000	Major shareholders US\$ '000	US\$ '000	US\$ '000	31 March 2016 US\$ '000	31 December 2015 US\$ '000	
Assets							
Receivables	7,938	-	467	-	8,405	10,679	
Mudaraba and Musharaka financing	-	-	1,554	-	1,554	1,420	
Investments	44,394	1,020	-	-	45,414	52,497	
Ijarah Muntahia Bittamleek	-	-	718	-	718	740	
Other assets	1,343	1	287	-	1,631	1,782	
Liabilities							
Customer current and other accounts	7,450	2,425	1,800	73	11,748	10,844	
Due to banks	694	3,325	-	-	4,019	4,262	
Other liabilities	-	19,506	-	253	19,759	19,763	
Equity of investment accountholders	9,011	7,706	8,050	66	24,833	29,373	
Off-balance sheet equity of investment accountholders	17,910	9,744	5,783	-	33,437	23,896	

All related party exposures are performing and are free of any provision for possible credit losses. All related party transactions were conducted on an arm's length basis.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2016 (Reviewed)

11 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share amounts are calculated by dividing net income for the period attributable to equity holders of the parent by the number of shares outstanding during the period as follows:

	<i>Three months ended</i>	
	31 March 2016	<i>31 March 2015</i>
Net income attributable to the equity holders of the parent for the period - US\$ '000	37,799	39,827
Number of shares outstanding at beginning of the period (in thousands)	1,149,218	1,115,746
Treasury shares effect (in thousands)	(8,462)	(8,315)
Bonus shares effect (in thousands)*	-	33,472
Number of shares outstanding at end of the period - (in thousands)	1,140,756	1,140,903
Earnings per share - US cents	3.31	3.49

*The number of shares of the previous period has been adjusted on account of the bonus issue made during 2015.

12 OWNERS' EQUITY

	<i>Audited</i>	
	31 March 2016 US\$ '000	<i>31 December 2015 US\$ '000</i>
Share capital		
Authorised:		
Ordinary shares 1,500,000,000 (2015: 1,500,000,000) of US\$ 1 each	1,500,000	1,500,000
Issued and fully paid up:		
At beginning of the period / year		
1,115,746,069 (2015: 1,093,868,695) shares of US\$1 each	1,115,746	1,093,869
Issued during the period / year		
33,472,382 bonus shares (2015: 21,877,373) of US\$1 each	33,472	21,877
At end of the period / year		
1,149,218,452 (2015: 1,115,746,069) shares of US\$1 each	1,149,218	1,115,746

Appropriations

At the Annual General Meeting held on 20 March 2016 (2015: 23 March 2015), the shareholders of the Group resolved to distribute US\$ 22,315 thousand (2015: US\$ 32,816 thousand) as cash dividends and US\$ 33,472 thousand (2015: US\$ 21,877 thousand) as bonus shares.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2016 (Reviewed)

12 OWNERS' EQUITY (continued)

Foreign currency translations

The foreign currency translations are used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

The following table summarises the subsidiary wise foreign currency translation balance.

<i>Subsidiary</i>	<i>Currency</i>	<i>Audited</i>	
		<i>31 March 2016</i>	<i>31 December 2015</i>
		<i>US\$ '000</i>	<i>US\$ '000</i>
Banque Al Baraka D'Algerie (BAA)	Algerian Dinar	49,179	42,424
Al Baraka Bank (Pakistan) Limited	Pakistani Rupees	10,180	10,174
Al Baraka Bank Egypt (ABE)	Egyptian Pound	58,726	41,040
Al Baraka Turk Participation Bank (ATPB)	Turkish Lira	253,168	274,067
Al Baraka Bank Limited (ABL)	South African Rand	19,463	20,474
Al Baraka Bank Sudan (ABS)	Sudanese Pound	32,430	30,912
Al Baraka Bank Tunis (ABT)	Tunisian Dinar	14,256	14,582
Al Baraka Bank Syria (ABBS)	Syrian Pound	31,977	28,275
		469,379	461,948

13 SEGMENTAL INFORMATION

Segmental information is presented in respect of the Group's geographical segments. The geographical segments are based upon the location of the units responsible for recording the transactions and reflects the manner in which financial information is evaluated by management and the Board of Directors.

For financial reporting purposes, the Group is divided into the following geographic segments:

- Middle East
- North Africa
- Europe
- Others

The results reported for the geographic segments are based on the Group's internal financial reporting systems. The accounting policies of the segments are the same as those applied in the preparation of the Group's interim condensed consolidated financial statements as set out in note 2. Transactions between segments are conducted at estimated market rates on an arm's length basis.

No business segments are presented as that is not applicable to the Group.

Segment assets, liabilities and equity of investment accountholders were as follows:

<i>Segment</i>	<i>31 March 2016</i>			<i>Audited 31 December 2015</i>		
	<i>Assets</i>	<i>Liabilities</i>	<i>Equity of investment accountholders</i>	<i>Assets</i>	<i>Liabilities</i>	<i>Equity of investment accountholders</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
Middle East	10,364,303	2,667,250	6,756,119	10,589,649	2,659,913	6,984,027
North Africa	2,461,798	1,196,053	1,006,280	2,489,812	1,113,612	1,084,982
Europe	10,273,638	3,867,598	5,646,491	10,035,619	3,733,314	5,586,129
Others	1,492,697	501,079	846,840	1,503,121	502,180	859,461
	24,592,436	8,231,980	14,255,730	24,618,201	8,009,019	14,514,599

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2016 (Reviewed)

13 SEGMENTAL INFORMATION (continued)

Segment operating income, net operating income and net income was as follows:

Segment	<i>Three months ended</i>			<i>Three months ended</i>		
	<i>31 March 2016</i>			<i>31 March 2015</i>		
	<i>Total operating income</i>	<i>Net operating income</i>	<i>Net income</i>	<i>Total operating income</i>	<i>Net operating income</i>	<i>Net income</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
Middle East	113,119	48,907	30,946	98,575	46,863	26,832
North Africa	27,160	11,430	6,209	24,112	9,291	9,662
Europe	113,014	45,984	25,582	96,377	40,450	28,178
Others	22,342	7,952	6,099	18,796	4,422	3,887
	275,635	114,273	68,836	237,860	101,026	68,559

14 CASH AND CASH EQUIVALENTS

	<i>Three months ended</i>	
	<i>31 March 2016</i>	<i>31 March 2015</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Balances with central banks excluding mandatory reserve	1,144,444	1,380,110
Balances with other banks	958,729	415,815
Cash and cash in transit	529,619	469,110
	2,632,792	2,265,035