

# Al Baraka Banking Group (B.S.C.)

## INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 30 June 2017 (Reviewed)



#### INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

##### At 30 June 2017 (Reviewed)

	Audited	
	30 June 2017 US\$ '000	31 December 2016 US\$ '000
<b>ASSETS</b>		
Cash and balances with banks	4,998,363	5,073,418
Receivables	11,894,897	11,423,448
Mudaraba and Musharaka financing	1,918,385	1,582,396
Investments	3,026,970	2,629,131
Ijarah Muntahia Bittamleek	1,872,928	1,830,339
Property and equipment	436,403	417,295
Other assets	528,431	469,238
<b>TOTAL ASSETS</b>	<b>24,676,377</b>	<b>23,425,265</b>
<b>LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY</b>		
<b>LIABILITIES</b>		
Customer current and other accounts	5,013,207	4,983,772
Due to banks	1,129,226	918,395
Long term financing	1,315,441	1,381,256
Other liabilities	901,557	856,467
<b>Total liabilities</b>	<b>8,357,431</b>	<b>8,139,890</b>
<b>EQUITY OF INVESTMENT ACCOUNTHOLDERS</b>	<b>13,842,633</b>	<b>13,276,794</b>
<b>OWNERS' EQUITY</b>		
Share capital	1,206,679	1,149,218
Treasury shares	(10,246)	(9,588)
Share premium	19,138	18,574
Perpetual tier 1 capital	400,000	-
Reserves	181,458	181,971
Cumulative changes in fair values	40,611	41,271
Foreign currency translations	(662,342)	(666,719)
Retained earnings	560,321	497,374
Proposed appropriations	-	58,857
Equity attributable to parent's shareholders and Sukuk holders	1,735,619	1,280,958
Non-controlling interest	746,694	727,623
<b>Total owners' equity</b>	<b>2,476,313</b>	<b>2,008,581</b>
<b>TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY</b>	<b>24,676,377</b>	<b>23,425,265</b>

#### INTERIM CONSOLIDATED STATEMENT OF INCOME

##### For the six months ended 30 June 2017 (Reviewed)

	Three months ended		Six months ended	
	30 June 2017 US\$ '000	30 June 2016 US\$ '000	30 June 2017 US\$ '000	30 June 2016 US\$ '000
<b>Income</b>				
Net income from jointly financed contracts and investments	295,543	327,877	592,320	655,686
Return on equity of investment accountholders before Group's share as a Mudarib	(248,243)	(285,631)	(499,726)	(561,741)
Group's share as a Mudarib	81,348	103,994	172,607	202,469
Return on equity of investment accountholders	(166,895)	(181,637)	(327,119)	(359,272)
Group's share of income from equity of investment accountholders (as a Mudarib and Rabalmal)	128,648	146,240	266,211	296,414
Mudarib share for managing off-balance sheet equity of investment accountholders	3,879	1,165	4,160	1,803
Net income from self financed contracts and investments	100,383	74,707	188,428	149,420
Fees and commission income	39,690	54,790	79,355	102,149
Other operating income	4,292	7,937	8,154	30,503
	276,992	284,839	546,308	580,289
Profit paid on long term financing	(21,455)	(22,257)	(41,900)	(42,071)
<b>TOTAL OPERATING INCOME</b>	<b>255,537</b>	<b>262,582</b>	<b>504,408</b>	<b>538,218</b>
<b>OPERATING EXPENSES</b>				
Staff expenses	75,867	79,812	161,036	173,956
Depreciation and amortisation	11,926	14,984	23,485	30,733
Other operating expenses	49,483	45,951	100,479	97,421
<b>TOTAL OPERATING EXPENSES</b>	<b>137,276</b>	<b>140,747</b>	<b>285,000</b>	<b>302,110</b>
<b>NET INCOME FOR THE PERIOD BEFORE NET PROVISIONS AND TAXATION</b>	<b>118,261</b>	<b>121,835</b>	<b>219,408</b>	<b>236,108</b>
Net provisions	(29,856)	(21,471)	(58,768)	(37,529)
<b>NET INCOME FOR THE PERIOD BEFORE TAXATION</b>	<b>88,405</b>	<b>100,364</b>	<b>160,640</b>	<b>198,579</b>
Taxation	(26,967)	(26,153)	(47,692)	(55,532)
<b>NET INCOME FOR THE PERIOD</b>	<b>61,438</b>	<b>74,211</b>	<b>112,948</b>	<b>143,047</b>
Attributable to:				
Equity holders of the parent	35,745	43,587	69,748	81,386
Non-controlling interest	25,693	30,624	43,200	61,661
	61,438	74,211	112,948	143,047
Basic and diluted earnings per share - US cents	2.99	3.82	5.83	6.79

#### INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

##### For the six months ended 30 June 2017 (Reviewed)

	Six months ended	
	30 June 2017 US\$ '000	30 June 2016 US\$ '000
Net cash from operating activities	133,630	483,777
Net cash used in investing activities	(420,928)	(68,204)
Net cash from (used in) financing activities	280,873	(6,234)
Foreign currency translation adjustments	9,248	(44,253)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>2,823</b>	<b>365,026</b>
Cash and cash equivalents at 1 January	2,851,959	2,292,689
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>2,854,782</b>	<b>2,657,715</b>

#### INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

##### For the six months ended 30 June 2017 (Reviewed)

	Attributable to equity holders of the parent and Sukuk holders		Non-controlling interest	Total owners' equity
	US\$ '000	US\$ '000		
At 1 January 2017	1,280,958	727,623	2,008,581	
Dividends	(11,396)	-	(11,396)	
Net movement in treasury shares	(94)	-	(94)	
Net movement in cumulative changes in fair values	(660)	(654)	(1,314)	
Net movement in other reserves	(513)	(86)	(599)	
Foreign currency translations	4,377	4,872	9,249	
Net income for the period	69,748	43,200	112,948	
Dividends of subsidiaries	-	(31,506)	(31,506)	
Allocation of Zakah	(4,021)	-	(4,021)	
Perpetual tier 1 capital	400,000	-	400,000	
Expenses related to perpetual tier 1 capital	(2,780)	-	(2,780)	
Net movement in non-controlling interest	-	(2,755)	(2,755)	
<b>At 30 June 2017</b>	<b>1,735,619</b>	<b>740,694</b>	<b>2,476,313</b>	
At 1 January 2016	1,356,402	738,181	2,094,583	
Dividends	(22,143)	-	(22,143)	
Bonus shares issued	-	-	-	
Net movement in treasury shares	406	-	406	
Net movement in cumulative changes in fair values	(242)	(114)	(356)	
Net movement in other reserves	3,160	1,763	4,923	
Foreign currency translations	(26,353)	(17,898)	(44,253)	
Net income for the period	81,386	61,661	143,047	
Dividends of subsidiaries	-	(31,085)	(31,085)	
Allocation of Zakah	(4,228)	-	(4,228)	
Effects of acquisition of non-controlling interest	-	(659)	(659)	
<b>At 30 June 2016</b>	<b>1,388,386</b>	<b>751,849</b>	<b>2,140,235</b>	

Saleh Abdullah Kamel  
Chairman

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



The above Interim Condensed Consolidated Financial Statements, have been extracted from the Interim Condensed Consolidated Financial Statements reviewed by Ernst & Young-Bahrain. These statements are available in full detail on the website indicated below.

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Al Baraka Banking Group B.S.C.  
Al Baraka Headquarters - Bahrain Bay  
P.O. BOX 1882, Manama - Kingdom of Bahrain  
(Licensed as an Islamic Wholesale Bank by CBB)

3 continents

15 countries

667 branches