

Al Baraka Banking Group (B.S.C.)
CONSOLIDATED FINANCIAL STATEMENTS
31 December 2016 (Audited)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2016 (Audited)

	2016 US\$ '000	2015 US\$ '000
ASSETS		
Cash and balances with banks	5,073,418	5,373,409
Receivables	11,423,448	11,959,052
Mudaraba and Musharaka financing	1,582,397	1,558,593
Investments	2,629,131	3,105,750
Ijarah Muntahia Bittamleek	1,830,339	1,734,457
Property and equipment	417,295	444,608
Other assets	469,238	442,332
TOTAL ASSETS	23,425,266	24,618,201
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Customer current and other accounts	4,983,773	4,841,099
Due to banks	918,395	808,268
Long term financing	1,381,256	1,497,208
Other liabilities	856,467	862,444
Total liabilities	8,139,891	8,009,019
EQUITY OF INVESTMENT ACCOUNTHOLDERS	13,276,794	14,514,599
OWNERS' EQUITY		
Share capital	1,149,218	1,115,746
Treasury shares	(9,588)	(8,464)
Share premium	18,574	17,662
Reserves	181,971	165,459
Cumulative changes in fair values	41,271	38,529
Foreign currency translations	(666,719)	(461,948)
Retained earnings	566,231	433,631
Proposed appropriations	-	55,787
Equity attributable to parent's shareholders	1,280,958	1,356,402
Non-controlling interest	727,623	738,181
Total owners' equity	2,008,581	2,094,583
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY	23,425,266	24,618,201

CONSOLIDATED STATEMENT OF INCOME
For the year ended 31 December 2016 (Audited)

	Three months ended		Year ended	
	31 December 2016 US\$ '000	31 December 2015 US\$ '000	31 December 2016 US\$ '000	31 December 2015 US\$ '000
Income				
Net income from jointly financed contracts and investments	334,281	322,737	1,336,569	1,223,215
Return on equity of investment accountholders before Group's share as a Mudarib	(276,769)	(270,297)	(1,114,019)	(1,026,367)
Group's share as a Mudarib	103,158	87,619	396,762	345,415
Return on equity of investment accountholders	(173,611)	(182,678)	(717,257)	(680,952)
Group's share of income from equity of investment accountholders (as a Mudarib and Rabalmaal)	160,670	140,059	619,312	542,263
Mudarib share for managing off-balance sheet equity of investment accountholders	2,565	2,152	5,022	5,583
Net income from self financed contracts and investments	75,217	71,142	285,499	272,941
Other fees and commission income	44,310	57,665	176,837	200,513
Other operating income	30,249	9,811	78,859	34,794
Profit paid on long term financing	(27,754)	(19,293)	(91,370)	(56,541)
TOTAL OPERATING INCOME	285,257	261,536	1,074,159	999,553
OPERATING EXPENSES				
Staff expenses	74,872	66,623	325,501	298,927
Depreciation and amortisation	11,662	15,461	44,579	50,054
Other operating expenses	53,482	49,232	197,136	186,890
TOTAL OPERATING EXPENSES	140,016	131,316	567,216	535,871
NET INCOME FOR THE YEAR BEFORE PROVISIONS, IMPAIRMENT AND TAXATION	145,241	130,220	506,943	463,682
Provisions and impairment	(45,468)	(24,122)	(122,154)	(58,371)
NET INCOME FOR THE YEAR BEFORE TAXATION	99,773	106,098	384,789	405,311
Taxation	(35,977)	(33,999)	(117,153)	(119,125)
NET INCOME FOR THE YEAR	63,796	72,099	267,636	286,186
Attributable to:				
Equity holders of the parent	35,124	41,669	151,545	162,741
Non-controlling interest	28,672	30,430	116,091	123,445
	63,796	72,099	267,636	286,186
Basic and diluted earnings per share - US cents	3.08	3.65	13.29	14.27

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
For the year ended 31 December 2016 (Audited)

	Attributable to equity shareholders of the parent US\$ '000	Non-controlling interest US\$ '000	Total owners' equity US\$ '000
At 1 January 2016	1,356,402	738,181	2,094,583
Dividends paid	(22,143)	-	(22,143)
Movement in treasury shares	(212)	-	(212)
Net movement in cumulative changes in fair values for investments	2,742	579	3,321
Net movement in other reserves	1,357	156	1,513
Foreign currency translation	(204,771)	(118,366)	(323,137)
Net income for the year	151,545	116,091	267,636
Dividends of subsidiaries	-	(31,424)	(31,424)
Zakah paid on behalf of shareholders	(3,962)	-	(3,962)
Net movement in non-controlling interest	-	22,406	22,406
At 31 December 2016	1,280,958	727,623	2,008,581
At 1 January 2015	1,338,079	736,544	2,074,623
Dividends paid	(32,816)	-	(32,816)
Movement in treasury shares	171	-	171
Net movement in cumulative changes in fair values for investments	(844)	(357)	(1,201)
Net movement in cumulative changes in fair values for property and equipment	36,300	21,690	57,990
Net movement in other reserves	1,564	505	2,069
Foreign currency translation	(148,346)	(110,599)	(258,945)
Net income for the year	162,741	123,445	286,186
Dividends of subsidiaries	-	(33,494)	(33,494)
Effects of acquisition of non-controlling interest	(447)	447	-
At 31 December 2015	1,356,402	738,181	2,094,583

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2016 (Audited)

	2016 US\$ '000	2015 US\$ '000
Net cash from (used in) operating activities	543,107	(392,798)
Net cash from (used in) investing activities	486,624	(566,089)
Net cash (used in) from financing activities	(147,325)	775,400
Foreign currency translation adjustments	(323,137)	(258,945)
NET CHANGE IN CASH AND CASH EQUIVALENTS	559,269	(442,432)
Cash and cash equivalents at 1 January	2,292,689	2,735,121
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	2,851,958	2,292,689

Saleh Abdullah Kamel
Chairman

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

The above balances for the year ended 31 December 2016, have been extracted from the Consolidated Financial Statements audited by Ernst & Young, who expressed an unqualified opinion on 22 February 2017. These statements are available in full detail on the website indicated below.

RECOMMENDATION FOR DIVIDEND DISTRIBUTIONS

The Board of Directors of Al Baraka Banking Group B.S.C. resolved at its meeting dated 22 February 2017 to propose the following shareholders' distributions for approval by the Assembly General Meeting:

1. Distribution of cash dividend from the profit of the year 2016 to the shareholders registered as of the date of the AGM (as 1.0 cent for each share) amounting to US\$ 11,396,304.
2. The distribution of 1 bonus share for every 20 fully paid shares to the shareholders registered as of the date of the AGM (amounting to US\$ 57,460,923) from Retained Earnings.



Saleh Abdullah Kamel
Chairman

Your Partner Bank

3 continents

15 countries

700 branches