

Al Baraka Banking Group B.S.C.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

31 MARCH 2014 (UNAUDITED)

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 2014, 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.



11 May 2014
Manama, Kingdom of Bahrain

Al Baraka Banking Group B.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2014 (Unaudited)

		<i>Audited</i>
		<i>31 March 2014</i>
		<i>31 December 2013</i>
	<i>Notes</i>	<i>US\$ '000</i>
		<i>US\$ '000</i>
ASSETS		
Cash and balances with banks		4,707,702
Receivables	3	10,857,218
Mudaraba and Musharaka financing	4	1,337,357
Investments	5	2,540,893
Ijarah Muntahia Bittamleek		1,003,165
Property and equipment		337,612
Other assets	6	489,584
TOTAL ASSETS		21,273,531
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Customer current and other accounts		4,026,195
Due to banks		1,244,712
Long term financing		494,482
Other liabilities	7	844,800
Total liabilities		6,610,189
EQUITY OF INVESTMENT ACCOUNTHOLDERS		12,683,448
OWNERS' EQUITY		
Share capital	11	1,093,869
Treasury shares		(8,499)
Share premium		17,107
Reserves		130,586
Cumulative changes in fair values		(2,072)
Foreign currency translations		(234,160)
Retained earnings		299,709
Proposed appropriations	11	-
Equity attributable to parent's shareholders		1,296,540
Non-controlling interest		683,354
Total owners' equity		1,979,894
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		21,273,531



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 INCOME

For the three months ended 31 March 2014 (Unaudited)

	<i>Three months ended</i>	
	31 March 2014 US\$ '000	31 March 2013 US\$ '000
Income		
Net income from jointly financed contracts and investments	264,728	261,519
Return on equity of investment accountholders before Group's share as a Mudarib	(228,198)	(249,162)
Group's share as a Mudarib	72,946	77,313
Return on equity of investment accountholders	(155,252)	(171,849)
Group's share of income from equity of investment accountholders (as a Mudarib and Rabalmaal)	109,476	89,670
Mudarib share for managing off-balance sheet equity of investment accountholders	698	406
Net income from self financed contracts and investments	51,194	51,542
Profit paid on long term financing	(7,182)	(2,603)
Other fees and commission income	44,805	42,049
Other operating income	13,893	21,130
TOTAL OPERATING INCOME	212,884	202,194
Staff expenses	79,569	73,100
Depreciation and amortisation	10,103	9,435
Other operating expenses	39,277	30,100
TOTAL OPERATING EXPENSES	128,949	112,635
NET INCOME FOR THE PERIOD BEFORE NET PROVISIONS AND TAXATION	83,935	89,559
Net provisions	5,930	1,726
NET INCOME FOR THE PERIOD BEFORE TAXATION	89,865	91,285
Taxation	(23,314)	(25,537)
NET INCOME FOR THE PERIOD	66,551	65,748
Attributable to:		
Equity holders of the parent	36,623	36,815
Non-controlling interest	29,928	28,933
	66,551	65,748
Basic and diluted earnings per share - US cents (note 12)	3.37	3.54



Saleh Abdullah Kamel
Chairman



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

Al Baraka Banking Group B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2014 (Unaudited)

	<i>Three months ended</i>	
	31 March 2014 US\$ '000	31 March 2013 US\$ '000
OPERATING ACTIVITIES		
Net income for the period before taxation	89,865	91,285
Adjustments for:		
Depreciation and amortisation	10,103	9,435
Depreciation on Ijarah Muntahia Bittamleek	28,520	44,354
Unrealised gain on equity and debt-type instruments at fair value through statement of income	(177)	(459)
Gain on disposal of property and equipment	(1,287)	(567)
Gain on disposal of investment in real estate	(135)	(264)
Gain on disposal of equity-type instruments at fair value through equity	(184)	-
Gain on disposal of equity and debt-type instruments at fair value through statement of income	(14)	(5)
Net provisions	(5,931)	(1,726)
Income from associates	(1,288)	(388)
Operating profit before changes in operating assets and liabilities	119,472	141,665
Net changes in operating assets and liabilities:		
Reserves with Central Banks	118,464	(231,466)
Receivables	(41,164)	(82,248)
Mudaraba and Musharaka financing	(144,679)	54,277
Ijarah Muntahia Bittamleek	(89,636)	(108,655)
Other assets	(76,551)	(14,555)
Customer current and other accounts	(222,988)	58,399
Due to banks	148,844	153,257
Other liabilities	131,153	20,312
Equity of investment accountholders	277,491	151,768
Taxation paid	(45,344)	(14,080)
Net cash from operating activities	175,062	128,674
INVESTING ACTIVITIES		
Net (purchase) disposal of investments	(127,993)	96,555
Net disposal (purchase) of property and equipment	61,043	(12,491)
Dividend received from associates	333	653
Net purchase of investment in associates	(1,406)	(2,404)
Net cash (used in) from investing activities	(68,023)	82,313
FINANCING ACTIVITIES		
Net movement in treasury shares	(21)	200
Long term financing	(46,197)	-
Net change in non-controlling interest	(27,162)	(16,048)
Net cash used in financing activities	(73,380)	(15,848)
Foreign currency translation adjustments	(4,981)	(34,793)
NET CHANGE IN CASH AND CASH EQUIVALENTS	28,678	160,346
Cash and cash equivalents at 1 January	2,304,753	1,950,294
CASH AND CASH EQUIVALENTS AT 31 MARCH (note 13)	2,333,431	2,110,640

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 2014 (Unaudited)

	Attributable to the equity holders of the parent											
	Reserves					Cumulative changes in fair values US\$ '000	Foreign currency translation US\$ '000	Retained earnings US\$ '000	Proposed appropriations US\$ '000	Total US\$ '000	Non-controlling interest US\$ '000	Total owners' equity US\$ '000
	Share capital US\$ '000	Treasury shares US\$ '000	Share premium US\$ '000	Statutory reserve US\$ '000	Other reserves US\$ '000							
At 1 January 2014	1,048,291	(8,123)	16,753	93,138	38,546	(2,380)	(232,928)	263,086	82,268	1,298,651	684,736	1,983,387
Dividends declared (note 13)	-	-	-	-	-	-	-	-	(36,690)	(36,690)	-	(36,690)
Bonus shares issued (note 13)	45,578	-	-	-	-	-	-	-	(45,578)	-	-	-
Net movement in treasury shares	-	(376)	354	-	-	-	-	-	-	(22)	-	(22)
Net movement in cumulative changes in fair values	-	-	-	-	-	308	-	-	-	308	168	476
Net movement in other reserves	-	-	-	-	(1,098)	-	-	-	-	(1,098)	(567)	(1,665)
Foreign currency translation	-	-	-	-	-	-	(1,232)	-	-	(1,232)	(3,749)	(4,981)
Net income for the period	-	-	-	-	-	-	-	36,623	-	36,623	29,928	66,551
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-	(27,162)	(27,162)
At 31 March 2014	1,093,869	(8,499)	17,107	93,138	37,448	(2,072)	(234,160)	299,709	-	1,296,540	683,354	1,979,894

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 2014 (Unaudited)

	Attributable to the equity holders of the parent											
	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	Proposed appropriations US\$ '000	Total US\$ '000	Non- controlling interest US\$ '000	Total owners' equity US\$ '000
At 1 January 2013	1,014,475	(8,475)	16,352	78,687	42,566	(3,636)	(133,591)	218,222	69,323	1,293,923	673,757	1,967,680
Dividends declared (note 13)	-	-	-	-	-	-	-	-	(35,507)	(35,507)	-	(35,507)
Bonus shares issued (note 13)	33,816	-	-	-	-	-	-	-	(33,816)	-	-	-
Net movement in treasury shares	-	60	140	-	-	-	-	-	-	200	-	200
Net movement in cumulative changes in fair values	-	-	-	-	-	1,935	-	-	-	1,935	333	2,268
Net movement in other reserves	-	-	-	-	(2,206)	-	-	-	-	(2,206)	(1,470)	(3,676)
Foreign currency	-	-	-	-	-	-	(21,215)	-	-	(21,215)	(13,578)	(34,793)
Net income for the period	-	-	-	-	-	-	-	36,815	-	36,815	28,933	65,748
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-	(16,048)	(16,048)
Effects of acquisition of non-controlling interest	-	-	-	-	-	-	-	(29)	-	(29)	29	-
At 31 March 2013	1,048,291	(8,415)	16,492	78,687	40,360	(1,701)	(154,806)	255,008	-	1,273,916	671,956	1,945,872

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

Al 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 2014 (Unaudited)

	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 2014	106,868	69,860	282,380	50,459	27,835	155,608	21,238	714,248
Deposits	87,652	162,265	325,900	3	4,284	51,649	53,488	685,241
Withdrawals	(7,066)	(136,845)	(295,670)	(11,758)	(556)	(41,742)	(37,505)	(531,142)
Income net of expenses	-	665	639	-	-	620	119	2,043
Mudarib's share	-	(522)	-	-	-	(19)	(157)	(698)
Foreign exchange translation	-	1,331	-	15	-	7	(1,351)	2
At 31 March 2014	187,454	96,754	313,249	38,719	31,563	166,123	35,832	869,694
At 1 January 2013	57,403	84,056	206,123	34,220	-	153,856	63,137	598,795
Deposits	62,051	11,759	255,268	2,292	-	45,528	90,136	467,034
Withdrawals	(30,521)	(28,069)	(231,808)	(9)	-	(51,450)	(76,252)	(418,109)
Income net of expenses	-	350	829	-	-	605	223	2,007
Mudarib's share	-	(238)	-	-	-	(19)	(149)	(406)
Foreign exchange translation	-	-	-	-	-	64	(4,150)	(4,086)
At 31 March 2013	88,933	67,858	230,412	36,503	-	148,584	72,945	645,235

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2014 (Unaudited)

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 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.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of Preparation

These interim condensed consolidated financial statements for the three month period ended 31 March 2014 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 2013. In addition, results for the three month period ended 31 March 2014 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2014.

The annual consolidated financial statements for the year ended 31 December 2013 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").

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 2014. 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

The accounting policies adopted in preparation of the interim condensed consolidated financial statements are consistent with those used in preparation of the annual consolidated financial statements for the year ended 31 December 2013.

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 11 May 2014.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2014 (Unaudited)

3 RECEIVABLES

	<i>Audited</i>
	<i>31 March 2014</i>
	<i>31 December 2013</i>
	<i>US\$ '000</i>
Sales (Murabaha) receivables	10,643,475
Ijarah receivables	23,009
Salam receivables	146,814
Istisna'a receivables	43,920
	<u>10,857,218</u>
	<u>10,818,219</u>

4 MUDARABA AND MUSHARAKA FINANCING

	<i>Audited</i>
	<i>31 March 2014</i>
	<i>31 December 2013</i>
	<i>US\$ '000</i>
Mudaraba financing	911,431
Musharaka financing	425,926
	<u>1,337,357</u>
	<u>1,192,125</u>

5 INVESTMENTS

	<i>Audited</i>
	<i>31 March 2014</i>
	<i>31 December 2013</i>
	<i>US\$ '000</i>
Equity and debt-type instruments at fair value through statement of income (5.1)	35,643
Equity-type instruments at fair value through equity (5.2)	86,616
Debt-type instruments at amortised cost (5.3)	2,244,228
	<u>2,366,487</u>
	<u>2,225,651</u>
Investment in real estate (5.4)	132,848
Investment in associates	41,558
	<u>2,540,893</u>
	<u>2,402,830</u>

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

	<i>Audited</i>
	<i>31 March 2014</i>
	<i>31 December 2013</i>
	<i>US\$ '000</i>
Quoted investments	
Debts	31,459
Equities	4,184
	<u>35,643</u>
	<u>34,644</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2014 (Unaudited)

5 INVESTMENTS (continued)**5.2 Equity-type instruments at fair value through equity**

	31 March 2014 US\$ '000	<i>Audited</i> 31 December 2013 US\$ '000
Quoted investments		
Equities	36,889	48,193
Managed funds	16,416	16,401
	53,305	64,594
Unquoted investments		
Equities	30,048	27,069
Managed funds	8,647	10,485
	38,695	37,554
Provisions	(5,384)	(5,061)
	86,616	97,087

5.3 Debt-type instruments at amortised cost

	31 March 2014 US\$ '000	<i>Audited</i> 31 December 2013 US\$ '000
Quoted investments		
Sukuk and similar items	1,196,432	967,999
	1,196,432	967,999
Unquoted investments		
Sukuk and similar items	1,050,657	1,128,902
	1,050,657	1,128,902
Provisions	(2,861)	(2,981)
	2,244,228	2,093,920

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\$ 2,271 million (31 December 2013: US\$ 2,123 million).

Al Baraka Banking Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2014 (Unaudited)

5 INVESTMENTS (continued)

5.4 Investment in real estate

	31 March 2014 US\$ '000	<i>Audited</i> 31 December 2013 US\$ '000
Land	56,808	77,140
Buildings	76,040	62,210
	132,848	139,350

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

	31 March 2014 US\$ '000	<i>Audited</i> 31 December 2013 US\$ '000
Beginning balance of the period / year	139,350	127,829
Acquisition	14,711	11,290
Net (loss) gain from fair value adjustments	(19)	6,988
Disposal	(21,064)	(1,860)
Foreign exchange translation - net	(130)	(4,897)
	(6,502)	11,521
Ending balance of the period / year	132,848	139,350

Al Baraka Banking Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL

STATEMENTS

31 March 2014 (Unaudited)

6 OTHER ASSETS

	<i>Audited</i>	
	<i>31 March</i>	<i>31 December</i>
	<i>2014</i>	<i>2013</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Bills receivable	157,747	109,102
Goodwill and intangible assets	105,465	104,946
Collateral pending sale	76,437	75,471
Prepayments	57,733	46,422
Deferred taxation	20,074	19,022
Good faith qard fund	24,214	24,359
Others	61,768	45,154
	503,438	424,476
Provisions	(13,854)	(15,506)
	489,584	408,970

7 OTHER LIABILITIES

	<i>Audited</i>	
	<i>31 March</i>	<i>31 December</i>
	<i>2014</i>	<i>2013</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Payables	372,375	254,266
Cash margins	253,780	202,313
Managers' cheques	17,277	9,256
Other provisions	25,838	30,306
Current taxation	40,230	61,723
Accrued expenses	61,960	78,301
Deferred taxation	1,201	686
Charity fund	6,741	7,432
Others	65,398	54,716
	844,800	698,999

8 COMMITMENTS AND CONTINGENCIES

	<i>Audited</i>	
	<i>31 March</i>	<i>31 December</i>
	<i>2014</i>	<i>2013</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Letters of credit	1,070,868	1,111,881
Guarantees	2,851,537	2,881,336
Acceptances	218,824	180,282
Undrawn commitments	813,234	773,961
Others	208	207
	4,954,671	4,947,667

Al Baraka Banking Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2014 (Unaudited)

9 RELATED PARTY TRANSACTIONS

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:

	Associated companies US\$ '000	Major shareholders US\$ '000	Directors and key management personnel US\$ '000	Other related parties US\$ '000	Three months ended	
					31 March 2014 US\$ '000	31 March 2013 US\$ '000
Net income (loss) from jointly financed contracts and investments	593	-	31	-	624	(1,151)
Net income from self financed contracts and investments	357	28	-	-	385	77
Return on equity of investment accountholders	-	23	194	-	217	151
Other fees and commission income	127	-	-	-	127	8

The significant balances with related parties were as follows:

	Associated companies US\$ '000	Major shareholders US\$ '000	Directors and key management personnel US\$ '000	Other related parties US\$ '000	31 March 2014 US\$ '000	Audited 31 December 2013 US\$ '000
Assets						
Receivables	5,872	-	595	-	6,467	8,918
Mudaraba and Musharaka financing investments	-	10	1,142	-	1,152	2,657
Ijarah Muntahia Bittamleek	48,109	3,567	-	275	51,951	38,062
Other assets	109	57	1,054	-	1,054	1,097
			724	71	961	762
Liabilities						
Customer current and other accounts	8,220	4,895	2,929	250	16,294	12,011
Due to banks	254	14,952	-	-	15,206	15,430
Other liabilities	2,137	993	2	2	3,134	2,098
	13,945	6,976	9,751	2,306	32,978	29,707
Equity of investment accountholders						
Off-balance sheet equity of investment accountholders	4,391	8,567	610	4	13,572	13,322

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.

Al Baraka Banking Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2014 (Unaudited)

10 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 weighted average number of shares outstanding during the period as follows:

	<i>Three months ended</i>	
	31 March 2014	<i>31 March 2013</i>
Net income attributable to the equity holders of the parent for the period - US\$ '000	36,623	36,815
Weighted average number of shares outstanding at beginning of the period (in thousands)	1,085,469	1,040,005
Treasury shares effect (in thousands)	161	(168)
Bonus shares effect (in thousands)*	-	-
Weighted average number of shares outstanding at end of the period - (in thousands)	1,085,630	1,039,837
Earnings per share - US cents	3.37	3.54

*The weighted average number of shares of the previous period has been adjusted on account of the bonus issue made during 2014.

11 OWNERS' EQUITY

	31 March 2014	<i>Audited 31 December 2013</i>
	US\$ '000	<i>US\$ '000</i>
<i>Share capital</i>		
Authorised:		
Ordinary shares 1,500,000,000 (2013: 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		
1,048,291,833 (2013: 1,014,475,000) shares of US\$1 each	1,048,291	1,014,475
Issued during the period / year		
45,577,906 bonus shares (2013: 33,816,000) of US\$1 each	45,578	33,816
At end of the period / year		
1,093,869,739 (2013: 1,048,291,000) shares of US\$1 each	1,093,869	1,048,291

Proposed appropriations

At the Annual General Meeting held on 23 March 2014 (2013: 19 March 2013), the shareholders of the Group resolved to distribute US\$ 36,690 thousand (2013: US\$ 35,507 thousand) as cash dividends and US\$ 45,578 thousand (2013: US\$ 33,816 thousand) as bonus shares.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2014 (Unaudited)

12 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:

Segment	31 March 2014			Audited 31 December 2013		
	Assets US\$ '000	Liabilities US\$ '000	Equity of investment accountholders US\$ '000	Assets US\$ '000	Liabilities US\$ '000	Equity of investment accountholders US\$ '000
Middle East	8,895,867	2,458,035	5,619,093	8,746,346	2,463,265	5,458,582
North Africa	2,627,821	1,163,504	1,136,950	2,588,865	1,099,882	1,136,874
Europe	8,220,327	2,564,552	4,953,081	8,076,290	2,593,951	4,790,278
Others	1,529,516	424,098	974,324	1,556,058	427,630	1,013,710
	21,273,531	6,610,189	12,683,448	20,967,559	6,584,728	12,399,444

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

Segment	Three months ended 31 March 2014			Three months ended 31 March 2013		
	Total operating income US\$ '000	Net operating income US\$ '000	Net income US\$ '000	Total operating income US\$ '000	Net operating income US\$ '000	Net income US\$ '000
Middle East	78,697	31,837	20,619	79,099	36,109	20,383
North Africa	25,236	11,039	12,916	31,926	18,988	12,973
Europe	91,468	36,388	30,562	74,656	29,238	30,466
Others	17,483	4,671	2,454	16,513	5,224	1,926
	212,884	83,935	66,551	202,194	89,559	65,748

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2014 (Unaudited)

13 CASH AND CASH EQUIVALENTS

	<i>Three months ended</i>	
	<i>31 March 2014 US\$ '000</i>	<i>31 March 2013 US\$ '000</i>
Balances with central banks excluding mandatory reserve	1,158,749	864,964
Balances with other banks	773,824	877,476
Cash and cash in transit	400,858	368,200
	2,333,431	2,110,640

14 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation adopted in the current period. Such reclassification did not affect previously reported consolidated income or consolidated owners' equity.