

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

CONSOLIDATED FINANCIAL STATEMENTS



INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION At 30 June 2021 (Reviewed)

	Reviewed 30 June 2021 US\$ '000	Audited 31 December 2020 US\$ '000
ASSETS		
Cash and balances with banks	5,432,623	5,361,444
Receivables	11,785,495	11,945,993
Mudaraba and Musharaka financing	3,739,934	2,854,658
Ijarah Muntahia Bittamleek	1,899,060	1,747,627
Investments	4,386,802	5,097,189
Property and equipment	518,783	478,572
Other assets	711,491	764,516
TOTAL ASSETS	28,474,188	28,249,999
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Customer current and other accounts	7,348,236	7,508,344
Due to banks	1,498,362	1,907,206
Long term financing	418,498	319,364
Other liabilities	1,164,530	1,062,502
Total Liabilities	10,429,626	10,797,416
EQUITY OF INVESTMENT ACCOUNTHOLDERS		
Financial institutions	666,158	538,177
Non-financial institutions and individuals	15,245,262	14,692,012
Total equity of investment accountholders	15,911,420	15,230,189
OWNERS' EQUITY		
Share capital	1,242,879	1,242,879
Treasury shares	(16,640)	(17,462)
Share premium	17,845	18,084
Reserves	183,846	183,121
Cumulative changes in fair values	36,035	32,940
Foreign currency translations	(875,061)	(800,489)
Retained earnings	403,291	364,496
Equity attributable to parent's shareholders	992,195	1,023,569
Perpetual tier 1 capital	400,000	400,000
Equity attributable to parent's shareholders and Sukuk holders	1,392,195	1,423,569
Non-controlling interest	740,947	798,825
Total equity	2,133,142	2,222,394
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY	28,474,188	28,249,999

INTERIM CONSOLIDATED STATEMENT OF INCOME For the six months ended 30 June 2021 (Reviewed)

	Three months ended		Six months ended	
	30 June 2021 US\$ '000	30 June 2020 US\$ '000	30 June 2021 US\$ '000	30 June 2020 US\$ '000
INCOME				
Net income from jointly financed contracts and investments	316,487	322,533	636,670	668,361
Return on equity of investment accountholders before Group's share as a Mudarib	(260,843)	(268,795)	(525,780)	(572,936)
Group's share as a Mudarib	85,314	96,796	173,007	205,493
Return on equity of investment accountholders	(175,529)	(171,999)	(352,773)	(367,443)
Group's share of income from equity of investment accountholders (as a Mudarib and Rabalmaal)	140,958	150,534	283,897	300,918
Mudarib share for managing off-balance sheet equity of investment accountholders	5,898	5,805	6,043	7,903
Net income from self financed contracts and investments	25,113	57,816	76,902	124,986
Fees and commission income	39,998	31,061	87,132	64,694
Other operating income	58,883	62,526	53,698	72,300
Profit paid on long term financing	(6,084)	(9,914)	(13,805)	(18,090)
TOTAL OPERATING INCOME	264,766	297,828	493,867	552,711
OPERATING EXPENSES				
Staff expenses	76,644	70,203	148,582	159,667
Depreciation and amortisation	17,079	9,771	36,562	19,717
Other operating expenses	43,226	44,703	87,447	98,738
TOTAL OPERATING EXPENSES	136,949	124,677	272,591	278,122
NET INCOME FOR THE PERIOD BEFORE NET ALLOWANCE FOR CREDIT LOSSES / IMPAIRMENT AND TAXATION	127,817	173,151	221,276	274,589
Net allowance for credit losses/impairment	(56,180)	(86,174)	(83,706)	(126,670)
NET INCOME FOR THE PERIOD BEFORE TAXATION	71,637	86,977	137,570	147,919
Taxation	(18,835)	(36,666)	(43,788)	(57,544)
NET INCOME FOR THE PERIOD	52,802	50,311	93,782	90,375
Attributable to:				
Equity holders of the parent	27,077	22,736	52,662	47,087
Non-controlling interest	25,724	27,575	41,120	43,288
	52,802	50,311	93,782	90,375
Basic and diluted earnings per share - US cents	0.94	0.57	3.05	2.54

CONDENCED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY For the six months ended 30 June 2021 (Reviewed)

	Equity attribut- able to parent's shareholders and Sukuk holders US\$ '000	Non-controlling interest US\$ '000	Total owners' equity US\$ '000
At 1 January 2021	1,423,569	798,825	2,222,394
Net movement in treasury shares	(122)	-	(122)
Net movement in other reserves	725	801	1,526
Net movement in cumulative changes in fair values	3,095	847	3,942
Foreign currency translations	(74,572)	(76,281)	(150,853)
Net income for the period	52,662	41,119	93,781
Dividends of subsidiaries	-	(17,969)	(17,969)
Allocations of Zakah	(1,015)	-	(1,015)
Profit distribution on perpetual tier 1 capital	(15,750)	-	(15,750)
Movement related to subsidiaries' tier 1 capital	3,603	(6,353)	(2,750)
Net movement in non-controlling interest	-	(42)	(42)
At 30 June 2021	1,392,195	740,947	2,133,142
At 1 January 2020	1,467,212	855,978	2,323,190
Dividends	(24,858)	-	(24,858)
Net movement in treasury shares	359	-	359
Net movement in other reserves	(1,136)	(1,080)	(2,216)
Net movement in cumulative changes in fair values	(1,759)	(201)	(1,960)
Foreign currency translations	(82,250)	(100,092)	(182,342)
Net income for the period	47,087	43,288	90,375
Dividends of subsidiaries	-	(15,618)	(15,618)
Allocation of Zakah	(1,656)	-	(1,656)
Profit distribution on perpetual tier 1 capital	(15,750)	-	(15,750)
Modification loss net of government assistance	(6,370)	(552)	(6,922)
Movement related to subsidiaries' tier 1 capital	3,626	(6,353)	(2,727)
Effect of change in ownership	237	(237)	-
Net movement in non-controlling interest	-	3,108	3,108
At 30 June 2020	1,384,742	778,241	2,162,983

CONDENCED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS For the six months ended 30 June 2021 (Reviewed)

	Six months ended	
	30 June 2021 US\$ '000	30 June 2020 US\$ '000
Net cash (used in) from operating activities	(575,967)	1,348,220
Net cash from (used in) investing activities	669,945	(1,455,086)
Net cash used in financing activities	62,502	(448)
Foreign currency translation adjustments	(150,852)	(182,332)
NET CHANGE IN CASH AND CASH EQUIVALENTS	5,628	(289,646)
Cash and cash equivalents at 1 January	2,778,177	2,926,185
CASH AND CASH EQUIVALENTS AT 30 JUNE	2,783,805	2,636,539

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 web site indicated below.

Abdullah Saleh Kamel
Chairman

Mazin Manna
Member of the Board and Group Chief