

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

## CONSOLIDATED FINANCIAL STATEMENTS



### INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION At 30 September 2020 (Reviewed)

|   | Reviewed<br>30 September<br>2020<br>US\$ '000 | Audited<br>31 December<br>2019<br>US\$ '000 |
|---|---|---|
| <b>ASSETS</b>   |   |   |
| Cash and balances with banks  | 4,797,674                                     | 5,386,926                                   |
| Receivables   | 11,348,207                                    | 10,894,937                                  |
| Mudaraba and Musharaka financing  | 2,587,427                                     | 3,228,615                                   |
| Ijarah Muntahia Bittamleek  | 1,724,745                                     | 1,756,756                                   |
| Investments   | 5,355,022                                     | 3,872,538                                   |
| Property and equipment  | 443,783                                       | 455,031                                     |
| Other assets  | 657,710                                       | 663,728                                     |
| <b>TOTAL ASSETS</b>   | <b>26,914,568</b>                             | <b>26,258,531</b>                           |
| <b>LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS<br/>AND OWNERS' EQUITY</b>        |   |   |
| <b>LIABILITIES</b>  |   |   |
| Customer current and other accounts   | 6,783,017                                     | 6,195,073                                   |
| Due to banks  | 1,195,111                                     | 1,106,923                                   |
| Long term financing   | 363,032                                       | 379,269                                     |
| Other liabilities   | 1,228,132                                     | 1,098,200                                   |
| <b>Total liabilities</b>  | <b>9,569,292</b>                              | <b>8,779,465</b>                            |
| <b>EQUITY OF INVESTMENT ACCOUNTHOLDERS</b>  |   |   |
| Financial institutions  | 679,431                                       | 542,078                                     |
| Non-financial institutions and individuals  | 14,508,748                                    | 14,613,798                                  |
| <b>Total equity of investment accountholders</b>                                      | <b>15,188,179</b>                             | <b>15,155,876</b>                           |
| <b>OWNERS' EQUITY</b>   |   |   |
| Share capital   | 1,242,879                                     | 1,242,879                                   |
| Treasury shares   | (8,295)                                       | (8,308)                                     |
| Share premium   | 18,084  | 18,138                                      |
| Perpetual tier 1 capital  | 400,000                                       | 400,000                                     |
| Reserves  | 176,118                                       | 177,254                                     |
| Cumulative changes in fair values   | 29,767  | 29,370                                      |
| Foreign currency translations   | (854,541)                                     | (752,068)                                   |
| Retained earnings   | 386,127                                       | 335,089                                     |
| Proposed appropriations   | -   | 24,858                                      |
| <b>Equity attributable to parent's shareholders and Sukuk holders</b>                 | <b>1,390,139</b>                              | <b>1,467,212</b>                            |
| Non-controlling interest  | 766,958                                       | 855,978                                     |
| <b>Total owners' equity</b>   | <b>2,157,097</b>                              | <b>2,323,190</b>                            |
| <b>TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS<br/>AND OWNERS' EQUITY</b> | <b>26,914,568</b>                             | <b>26,258,531</b>                           |

### INTERIM CONSOLIDATED STATEMENT OF INCOME For the nine months ended 30 September 2020 (Reviewed)

|   | Three months ended                |                                   | Nine months ended                 |                                   |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|   | 30 September<br>2020<br>US\$ '000 | 30 September<br>2019<br>US\$ '000 | 30 September<br>2020<br>US\$ '000 | 30 September<br>2019<br>US\$ '000 |
| <b>INCOME</b>   |                                   |                                   |                                   |                                   |
| Net income from jointly financed contracts and investments  | 316,059                           | 340,686                           | 984,420                           | 1,025,552                         |
| Return on equity of investment accountholders before Group's share as a Mudarib                           | (257,847)                         | (312,529)                         | (830,783)                         | (913,259)                         |
| Group's share as a Mudarib  | 94,057                            | 82,730                            | 299,550                           | 251,811                           |
| Return on equity of investment accountholders   | (163,790)                         | (229,799)                         | (531,233)                         | (661,448)                         |
| Group's share of income from equity of investment accountholders (as a Mudarib and Rabalmal)              | 152,269                           | 110,887                           | 453,187                           | 364,104                           |
| Mudarib share for managing off-balance sheet equity of investment accountholders                          | 1,549                             | 1,630                             | 9,452                             | 8,502                             |
| Net income from self financed contracts and investments   | 78,698                            | 58,411                            | 203,684                           | 142,093                           |
| Fees and commission income  | 59,159                            | 55,067                            | 123,853                           | 137,575                           |
| Other operating income  | 783                               | 15,348                            | 73,083                            | 63,408                            |
|   | 292,458                           | 241,343                           | 863,259                           | 715,682                           |
| Profit paid on long term financing  | (5,929)                           | (6,774)                           | (24,019)                          | (38,769)                          |
| <b>TOTAL OPERATING INCOME</b>   | <b>286,529</b>                    | <b>234,569</b>                    | <b>839,240</b>                    | <b>676,913</b>                    |
| <b>OPERATING EXPENSES</b>   |                                   |                                   |                                   |                                   |
| Staff expenses  | 71,756                            | 80,351                            | 231,423                           | 241,334                           |
| Depreciation and amortisation   | 9,605                             | 12,782                            | 29,322                            | 33,034                            |
| Other operating expenses  | 47,534                            | 43,337                            | 146,272                           | 134,736                           |
| <b>TOTAL OPERATING EXPENSES</b>   | <b>128,895</b>                    | <b>136,470</b>                    | <b>407,017</b>                    | <b>409,104</b>                    |
| <b>NET INCOME FOR THE PERIOD BEFORE<br/>NET ALLOWANCE FOR CREDIT LOSSES /<br/>IMPAIRMENT AND TAXATION</b> |                                   |                                   |                                   |                                   |
|   | 157,634                           | 98,099                            | 432,223                           | 267,809                           |
| Net allowance for credit losses/impairment  | (90,579)                          | (42,885)                          | (217,249)                         | (71,350)                          |
| <b>NET INCOME FOR THE<br/>PERIOD BEFORE TAXATION</b>  | <b>67,055</b>                     | <b>55,214</b>                     | <b>214,974</b>                    | <b>196,459</b>                    |
| Taxation  | (25,094)                          | (18,843)                          | (82,638)                          | (64,716)                          |
| <b>NET INCOME FOR THE PERIOD</b>  | <b>41,961</b>                     | <b>36,371</b>                     | <b>132,336</b>                    | <b>131,743</b>                    |
| Attributable to:  |                                   |                                   |                                   |                                   |
| Equity holders of the parent  | 19,873                            | 27,592                            | 66,960                            | 83,754                            |
| Non-controlling interest  | 22,088                            | 8,779                             | 65,376                            | 47,989                            |
|   | 41,961                            | 36,371                            | 132,336                           | 131,743                           |
| Basic and diluted earnings per share -<br>US cents  |                                   |                                   |                                   |                                   |
|   | 1.61                              | 2.24                              | 4.15                              | 5.51                              |

### CONDENCED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY For the nine months ended 30 September 2020 (Reviewed)

|   | Equity attribut-<br>able to parent's<br>shareholders and<br>Sukuk holders<br>US\$ '000 | Non-controlling<br>interest<br>US\$ '000 | Total owners'<br>equity<br>US\$ '000 |
|---|--|--|--------------------------------------|
| At 1 January 2020                                 | 1,467,212  | 855,978                                  | 2,323,190                            |
| Dividends   | (24,858)   | -  | (24,858)                             |
| Net movement in treasury shares                   | 347  | -  | 347                                  |
| Net movement in other reserves                    | (1,136)  | (2,042)                                  | (3,178)                              |
| Net movement in cumulative changes in fair values | 397  | 213                                      | 610                                  |
| Foreign currency translations                     | (102,473)  | (125,952)                                | (228,425)                            |
| Net income for the period                         | 66,960   | 65,376                                   | 132,336                              |
| Dividends of subsidiaries                         | -  | (12,712)                                 | (12,712)                             |
| Allocation of Zakah                               | (1,656)  | -  | (1,656)                              |
| Profit distribution on perpetual tier 1 capital   | (15,750)   | -  | (15,750)                             |
| Movement related to subsidiaries' tier 1 capital  | 7,229  | (12,706)                                 | (5,477)                              |
| Modification loss net of government assistance    | (6,370)  | (552)                                    | (6,922)                              |
| Effect of change in ownership                     | 237  | (237)                                    | -                                    |
| Net movement in non-controlling interest          | -  | (408)                                    | (408)                                |
| <b>At 30 September 2020</b>                       | <b>1,390,139</b>   | <b>766,958</b>                           | <b>2,157,097</b>                     |
| At 1 January 2019                                 | 1,545,545  | 710,442                                  | 2,255,987                            |
| Dividends   | (37,286)   | -  | (37,286)                             |
| Net movement in treasury shares                   | 130  | -  | 130                                  |
| Net movement in other reserves                    | 286  | 563                                      | 849                                  |
| Net movement in cumulative changes in fair values | (2,223)  | (194)                                    | (2,417)                              |
| Foreign currency translations                     | (66,481)   | (17,909)                                 | (84,390)                             |
| Net income for the period                         | 83,754   | 47,989                                   | 131,743                              |
| Dividends of subsidiaries                         | -  | (26,755)                                 | (26,755)                             |
| Allocation of Zakah                               | (2,235)  | -  | (2,235)                              |
| Profit distribution on perpetual tier 1 capital   | (15,750)   | -  | (15,750)                             |
| Movement related to subsidiaries' tier 1 capital  | 3,574  | (8,888)                                  | (5,314)                              |
| Effect of change in ownership                     | (3,615)  | 3,615                                    | -                                    |
| Net movement in non-controlling interest          | -  | 386                                      | 386                                  |
| <b>At 30 September 2019</b>                       | <b>1,505,699</b>   | <b>709,249</b>                           | <b>2,214,948</b>                     |

### CONDENCED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS For the nine months ended 30 September 2020 (Reviewed)

|  | Nine months ended                 |                                   |
|--|-----------------------------------|-----------------------------------|
|  | 30 September<br>2020<br>US\$ '000 | 30 September<br>2019<br>US\$ '000 |
| Net cash from operating activities               | 1,430,942                         | 1,137,342                         |
| Net cash used in investing activities            | (1,466,305)                       | (611,838)                         |
| Net cash used in financing activities            | (75,648)                          | (719,633)                         |
| Foreign currency translation adjustments         | (228,425)                         | (84,390)                          |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>   | <b>(339,436)</b>                  | <b>(278,519)</b>                  |
| Cash and cash equivalents at 1 January           | 2,926,184                         | 2,917,794                         |
| <b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b> | <b>2,586,748</b>                  | <b>2,639,275</b>                  |

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.

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Adnan Ahmed Yousif  
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