

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

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2012 (Unaudited)



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

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2012 (Unaudited)

	30 June 2012	Audited 31 December 2011
	US\$ '000	US\$ '000
ASSETS		
Cash and balances with banks	4,110,150	4,633,280
Receivables	9,406,977	8,213,057
Mudaraba and Musharaka financing	859,380	950,935
Investments	1,835,191	2,090,253
Ijarah Muntahia Bittamleek	633,801	563,721
Property and equipment	334,627	313,933
Other assets	438,400	388,864
TOTAL ASSETS	17,618,526	17,154,043
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Customer current and other accounts	3,645,244	3,560,317
Due to banks	787,741	653,462
Other liabilities	625,959	675,196
Total liabilities	5,058,944	4,888,975
EQUITY OF INVESTMENT ACCOUNTHOLDERS	10,715,429	10,465,918
OWNER'S EQUITY		
Share Capital	1,014,475	869,550
Treasury Shares	(8,517)	(7,319)
Share premium	16,382	16,420
Reserves	104,171	104,607
Cumulative changes in fair values	(6,945)	(10,910)
Foreign currency translations	(129,992)	(112,163)
Retained earnings	239,386	167,584
Proposed appropriations	-	175,359
Equity attributable to parent's shareholders	1,228,960	1,203,128
Non-controlling interest	615,193	596,022
Total owners' equity	1,844,153	1,799,150
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY	17,618,526	17,154,043

Saleh Abdullah Kamel

Chairman

Adnan Ahmed Yousif

Member of the Board and
President and Chief Executive

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the six months ended 30 June 2012 (Unaudited)

	Three months ended		Six months ended	
	30 June 2012 US\$ '000	30 June 2011 US\$ '000	30 June 2012 US\$ '000	30 June 2011 US\$ '000
Income				
Net income from jointly financed contracts and investments	253,466	229,465	486,193	447,881
Return on equity of investment accountholders before Group's share as a Mudarib	(221,522)	(202,603)	(426,404)	(403,480)
Group's shares as a Mudarib	67,420	66,837	121,495	129,740
Return on equity of investment accountholders	(154,102)	(135,766)	(304,909)	(273,740)
Group's share of income from equity of investment accountholders (as a Mudarib and Rabalmaal)	99,364	93,699	181,284	174,141
Mudarib share for managing off-balance sheet equity of investment accountholders	1,788	363	2,208	680
Net income from self financed contracts and investments	51,662	35,423	104,249	72,648
Other fees and commission income	46,882	40,681	94,956	79,964
Other operating income	6,706	12,783	29,282	25,377
TOTAL OPERATING INCOME	206,402	182,949	411,979	352,810
Staff expenses	62,223	52,306	123,822	101,556
Depreciation and amortisation	8,110	7,304	15,860	14,359
Other operating expenses	41,365	36,575	80,069	66,414
TOTAL OPERATING EXPENSES	111,698	96,185	219,751	182,329
NET INCOME FOR THE PERIOD BEFORE PROVISIONS AND TAXATION	94,704	86,764	192,228	170,481
Provisions	(7,665)	(11,249)	(29,393)	(25,217)
NET INCOME FOR THE PERIOD BEFORE TAXATION	87,039	75,515	162,835	145,264
Taxation	(23,828)	(18,924)	(42,239)	(35,210)
NET INCOME FOR THE PERIOD	63,211	56,591	120,596	110,054
Attributable to:				
Equity holders of the parent	38,217	33,689	70,827	64,410
Non-controlling interest	24,994	22,902	49,769	45,644
	63,211	56,591	120,596	110,054
Basic and diluted earnings per share - US cents	3.80	3.90	7.03	6.39

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2012 (Unaudited)

	30 June 2012 US\$ '000	30 June 2011 US\$ '000
Net cash (used in) from operating activities	(781,610)	261,680
Net cash from (used in) investing activities	229,854	(701,111)
Net cash used in financing activities	(53,874)	(66,146)
Foreign currency translation adjustments	(25,303)	(30,318)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(630,933)	(535,895)
Cash and cash equivalents at 1 January	2,996,990	2,988,700
CASH AND CASH EQUIVALENTS AT 30 JUNE	2,366,057	2,452,805

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the six months ended 30 June 2012 (Unaudited)

	Attributable to equity holders of the parent	Non- controlling interest	Total owners' equity
	US\$ '000	US\$ '000	US\$ '000
At 1 January 2012	1,203,128	596,022	1,799,150
Dividends declared	(30,434)	-	(30,434)
Net movement in treasury shares	227	-	227
Net movement in cumulative change in fair value	3,965	625	4,590
Net movement in other reserves	(950)	(56)	(1,006)
Foreign currency translation	(17,829)	(7,474)	(25,303)
Net income for the period	70,827	49,769	120,596
Effects of acquisition of non-controlling interest	26	(26)	-
Dividends of subsidiaries	-	(23,667)	(23,667)
At 30 June 2012	1,228,960	615,193	1,844,153
At 1 January 2011	1,223,727	592,854	1,816,581
Dividends declared	(39,525)	-	(39,525)
Net movement in treasury shares	254	-	254
Net movement in cumulative change in fair value	(2,951)	(1,091)	(4,042)
Net movement in other reserves	1,675	1,413	3,088
Foreign currency translation	(19,369)	(10,949)	(30,318)
Net income for the period	64,410	45,644	110,054
Effects of acquisition of non-controlling interest	544	(544)	-
Dividends of subsidiaries and net movement in non-controlling interest	-	(26,205)	(26,205)
At 30 June 2011	<u>1,228,765</u>	<u>601,122</u>	<u>1,829,887</u>

The previous Interim 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 www.albaraka.com.