

Al Baraka Banking Group (B.S.C.)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2019 (Reviewed)



INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2019 (Reviewed)

	30 June 2019 US\$ '000	Audited 31 December 2018 US\$ '000
ASSETS		
Cash and balances with banks	4,210,897	5,008,009
Receivables	10,451,815	10,303,868
Mudaraba and Musharaka financing	3,436,798	2,718,906
Ijarah Muntahia Bittamleek	1,770,587	1,770,833
Investments	3,302,560	3,067,008
Property and equipment	428,024	406,564
Other assets	640,875	556,050
TOTAL ASSETS	24,241,556	23,831,238
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Customer current and other accounts	5,640,663	5,325,924
Due to banks	1,189,721	1,178,758
Long term financing	312,671	976,891
Other liabilities	1,012,613	971,310
Total liabilities	8,155,678	8,452,883
EQUITY OF INVESTMENT ACCOUNTHOLDERS	13,912,609	13,122,368
OWNERS' EQUITY		
Share capital	1,242,879	1,242,879
Treasury shares	(8,834)	(9,203)
Share premium	18,588	18,829
Perpetual tier 1 capital	400,000	400,000
Reserves	166,121	165,551
Cumulative changes in fair values	31,825	31,929
Foreign currency translations	(934,514)	(861,313)
Retained earnings	556,236	519,587
Proposed appropriations	-	37,286
Equity attributable to parent's shareholders and Sukuk holders	1,472,301	1,545,545
Non-controlling interest	700,968	710,442
Total owners' equity	2,173,269	2,255,987
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY	24,241,556	23,831,238

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
For the six months ended 30 June 2019 (Reviewed)

	Equity attributable to parent's shareholders and Sukuk holders US\$ '000	Non-controlling interest US\$ '000	Total owners' equity US\$ '000
At 1 January 2019	1,545,545	710,442	2,255,987
Dividends	(37,286)	-	(37,286)
Net movement in treasury shares	128	-	128
Net movement in other reserves	570	725	1,295
Net movement in cumulative changes in fair values	(104)	56	(48)
Foreign currency translations	(73,201)	(22,418)	(95,619)
Net income for the period	56,162	39,210	95,372
Dividends of subsidiaries	-	(26,400)	(26,400)
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	1,880	(4,444)	(2,564)
Effect of change in ownership	(3,408)	3,408	-
Net movement in non-controlling interest	-	389	389
At 30 June 2019	1,472,301	700,968	2,173,269
At 1 January 2018	1,740,205	770,456	2,510,661
Transition adjustment on adoption of FAS 30 as of 1 January 2018	(102,660)	(49,177)	(151,837)
Restated balance as of 1 January 2018	1,637,545	721,279	2,358,824
Dividends	(24,134)	-	(24,134)
Net movement in treasury shares	568	-	568
Net movement in cumulative changes in fair values	2,191	1,343	3,534
Foreign currency translations	(111,008)	(69,128)	(180,136)
Net income for the period	74,284	47,471	121,755
Dividends of subsidiaries	(3,961)	(30,484)	(34,445)
Allocation of Zakah	(3,961)	-	(3,961)
Profit distribution on perpetual tier 1 capital	(15,750)	-	(15,750)
Net movement in non-controlling interest	-	46,372	46,372
At 30 June 2018	1,559,735	716,853	2,276,588

INTERIM CONSOLIDATED STATEMENT OF INCOME
For the six months ended 30 June 2019 (Reviewed)

	Three months ended		Six months ended	
	30 June 2019 US\$ '000	30 June 2018 US\$ '000	30 June 2019 US\$ '000	30 June 2018 US\$ '000
INCOME				
Net income from jointly financed contracts and investments	342,380	331,680	684,866	661,844
Return on equity of investment accountholders before Group's share as a Mudarib	(303,667)	(299,235)	(600,730)	(582,210)
Group's share as a Mudarib	86,323	98,238	169,081	194,805
Return on equity of investment accountholders	(217,344)	(200,997)	(431,649)	(387,405)
Group's share of income from equity of investment accountholders (as a Mudarib and Rabalmal)	125,036	130,683	253,217	274,439
Mudarib share for managing off-balance sheet equity of investment accountholders	5,474	2,166	6,872	2,893
Net income from self financed contracts and investments	37,653	76,300	83,682	151,804
Fees and commission income	42,457	26,656	82,508	76,935
Other operating income	30,501	43,999	48,060	51,800
Profit paid on long term financing	241,121	279,804	474,339	557,871
TOTAL OPERATING INCOME	(15,143)	(24,489)	(31,995)	(45,938)
OPERATING EXPENSES				
Staff expenses	76,738	77,100	160,983	166,546
Depreciation and amortisation	10,296	11,242	20,252	22,785
Other operating expenses	41,504	39,674	91,399	100,185
TOTAL OPERATING EXPENSES	128,538	128,016	272,634	289,516
NET INCOME FOR THE PERIOD BEFORE NET ALLOWANCE FOR CREDIT LOSSES / IMPAIRMENT AND TAXATION	97,440	127,299	169,710	222,417
Net allowance for credit losses / impairment	(18,088)	(45,292)	(28,465)	(58,767)
NET INCOME FOR THE PERIOD BEFORE TAXATION	79,352	82,007	141,245	163,650
Taxation	(25,196)	(17,221)	(45,873)	(41,895)
NET INCOME FOR THE PERIOD	54,156	64,786	95,372	121,755
Attributable to:				
Equity holders of the parent	32,167	39,292	56,162	74,284
Non-controlling interest	21,989	25,494	39,210	47,471
Basic and diluted earnings per share - US cents	4.75	4.75	4.75	4.75

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2019 (Reviewed)

	Six months ended	
	30 June 2019 US\$ '000	30 June 2018 US\$ '000
Net cash from (used in) operating activities	373,063	(547,804)
Net cash used in investing activities	(266,517)	(52,803)
Net cash used in financing activities	(745,703)	(214,400)
Foreign currency translation adjustments	(95,619)	(180,136)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(734,776)	(995,143)
Cash and cash equivalents at 1 January	2,917,794	2,861,182
CASH AND CASH EQUIVALENTS AT 30 JUNE	2,183,018	1,866,039

Saleh Abdullah Kamel
Chairman

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

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 website indicated below.