

Al Baraka Islamic Bank B.S.C. (c)

CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2012



CONSOLIDATED STATEMENT OF FINANCIAL POSITION At 31 December 2012

	2012 BD	2011 BD
ASSETS		
Cash and balances with banks and financial institutions	77,594,780	95,393,893
Sales receivables	183,517,248	228,973,907
Mudaraba financing	13,142,569	9,634,847
Ijara Muntahia Bittamleek	42,688,666	38,664,092
Musharaka	23,559,624	23,739,098
Investments	151,077,484	159,068,731
Investment in real estate	1,208,092	1,109,068
Ijara income receivables	8,415,957	9,594,803
Premises and equipment	8,315,409	9,292,274
Goodwill	7,177,568	7,752,439
Other assets	18,050,539	19,141,742
TOTAL ASSETS	534,747,936	602,364,894
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		
Liabilities		
Due to banks and financial institutions	45,128,075	37,252,577
Current accounts	48,577,772	48,732,822
Other liabilities	12,655,362	50,701,525
Total Liabilities	106,361,209	136,686,924
Equity of investment accountholders	364,761,831	398,255,921
Owner' Equity		
Equity attributable to parent's shareholders		
Share capital	46,166,591	46,166,591
Reserves	8,206,377	7,384,511
Retained earnings	2,401,157	5,646,275
Equity attributable to parent's shareholders	56,774,125	59,197,377
Non-controlling interest	6,850,771	8,224,672
Total owners' equity	63,624,896	67,422,049
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY	534,747,936	602,364,894
OFF-BALANCE SHEET ITEMS: EQUITY OF INVESTMENT ACCOUNTHOLDERS	50,508,645	98,005,490
CONTINGENCIES AND COMMITMENTS	75,776,256	123,883,022

CONSOLIDATED STATEMENT OF INCOME For the Year Ended 31 December 2012

	2012 BD	2011 BD
INCOME		
Income from jointly financed sales	13,364,370	17,502,504
Income from jointly financed, other financings and investments	18,646,656	17,814,103
Joint investment income	32,011,026	35,316,607
Return on equity of investment accountholders before Group's share as a Mudarib	(28,609,195)	(32,793,210)
Group's share as a Mudarib	5,438,276	7,006,116
Return on equity of investment accountholders	(23,170,919)	(25,787,094)
Group's share of income from equity of investment accountholders (as a Mudarib and Rabalmaal)	8,840,107	9,529,513
Group's income from self financed sales	404,287	23,257
Group's income from self financed, other financings and investments	2,656,718	2,614,729
Revenue from banking services	2,497,984	2,613,901
Other income	927,657	1,412,480
Group's Mudarib/agency fee from off-balance sheet equity of investment account holders	63,401	41,493
TOTAL OPERATING INCOME	15,390,154	16,235,373
OPERATING EXPENSES		
Staff expenses	7,942,839	7,466,061
Depreciation	1,232,100	1,361,640
Profit on due to banks and financial institutions	18,727	12,878
Other operating expenses	5,951,787	5,938,501
TOTAL OPERATING EXPENSES	15,145,453	14,779,080
NET OPERATING INCOME	244,701	1,456,293
Provision for impairment - net	(4,734,993)	(207,256)
Loss on sale of equity-type investment	(613,270)	-
(LOSS) INCOME BEFORE TAXATION	(5,103,562)	1,249,037
Taxation	1,098,825	(270,574)
(LOSS) INCOME FOR THE YEAR	(4,004,737)	978,463
Attributable to:		
Equity shareholders of the parent	(3,245,118)	670,176
Non-controlling interest	(759,619)	308,287
	(4,004,737)	978,463

CONSOLIDATED STATEMENT OF CASH FLOWS For the Year Ended 31 December 2012

	2012 BD	2011 BD
OPERATING ACTIVITIES		
Net (loss) / income before taxation	(5,103,562)	1,249,037
Adjustments for:		
Depreciation	1,232,100	1,361,640
Provision for impairment - net	4,734,993	207,256
Gain on sale of premises and equipment	(34,342)	(5,037)
Gain on sale of debt-type investments	(554,177)	(844,468)
Loss on sale of equity-type investment	613,270	-
Unrealised remeasurement gain	-	(121,708)
Operating profit before changes in operating assets and liabilities	888,282	1,846,720
Net changes in operating assets and liabilities:		
Sales receivables	(6,794,191)	(5,106,205)
Mudaraba financing	(3,507,722)	849,651
Ijara Muntahia Bittamleek	(4,024,574)	(3,527,449)
Musharaka	(1,239,663)	(1,570,101)
Ijara income receivables	(1,879,744)	(2,772,394)
Other assets	2,157,997	492,261
Other liabilities	(38,046,163)	40,365,883
Due to banks and other financial institutions	7,875,498	15,093,937
Current accounts	(155,050)	4,071,308
Equity of investment accountholders	(33,444,180)	36,604,278
Taxation paid	(302,662)	(328,015)
Net cash (used in) / from operating activities	(78,472,172)	86,019,874
INVESTING ACTIVITIES		
Purchase of investments	(27,446,580)	(67,384,035)
Investments sold / matured	36,320,798	24,366,185
Purchase of investment in real estate	(99,024)	(551,031)
Purchase of premises and equipment	(659,821)	(809,755)
Sale of premises and equipment	62,608	309,065
Net cash from / (used in) investing activities	8,177,981	(44,069,571)
Foreign currency translation adjustments	(1,368,341)	(1,324,397)
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(71,662,532)	40,625,906
Cash and cash equivalents at 1 January	175,972,254	135,346,348
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	104,309,722	175,972,254

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY For the Year Ended 31 December 2012

	Equity attributable to shareholders of the parent						Non-Controlling Interest	Total owners' equity	
	Share capital	Statutory Reserves	General Reserves	Cumulative changes in fair value	Foreign exchange	Retained earnings			
	BD	BD	BD	BD	BD	BD	BD	BD	
Balance at 1 January 2012	46,166,591	8,199,308	3,275,053	(2,843,679)	(1,246,171)	5,646,275	59,197,377	8,224,672	67,422,049
Cumulative changes in fair value	-	-	-	2,524,488	-	-	2,524,488	2,628	2,527,116
Foreign currency translation reserve	-	-	-	-	(1,702,622)	-	(1,702,622)	(616,910)	(2,319,532)
Net loss for the year	-	-	-	-	-	(3,245,118)	(3,245,118)	(759,619)	(4,004,737)
Balance at 31 December 2012	46,166,591	8,199,308	3,275,053	(319,191)	(2,948,793)	2,401,157	56,774,125	6,850,771	63,624,896
Balance at 1 January 2011	46,166,591	8,132,290	3,275,053	(1,657,943)	-	5,043,117	60,959,108	8,391,975	69,351,083
Cumulative changes in fair value	-	-	-	(1,185,736)	-	-	(1,185,736)	(7,283)	(1,193,019)
Foreign currency translation reserve	-	-	-	-	(1,246,171)	-	(1,246,171)	(468,307)	(1,714,478)
Net income for the year	-	-	-	-	-	670,176	670,176	308,287	978,463
Transfer to statutory reserve	-	67,018	-	-	-	(67,018)	-	-	-
Balance at 31 December 2011	46,166,591	8,199,308	3,275,053	(2,843,679)	(1,246,171)	5,646,275	59,197,377	8,224,672	67,422,049

These statements have been extracted from financial statements audited by Ernst & Young, who expressed an unqualified opinion on 19th February 2013

Khalid Rashid Al Zayani
Chairman

Annan Ahmed Yousif
Deputy Chairman

Mohammed Essa Al Mutaweh
Chief Executive & Board Member

