

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

30 JUNE 2013



800 8555 - BARWABANK.COM

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF BARWA BANK Q.S.C.

Introduction

We have reviewed the accompanying 30 June 2013 condensed consolidated interim financial information of Barwa Bank Q.S.C. ("the Bank") and its subsidiaries (together referred to as "the Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 June 2013;
- the condensed consolidated income statement for the three month and six month periods ended 30 June 2013;
- the condensed consolidated statement of changes in equity for the six month period ended 30 June 2013;
- the condensed consolidated statement of cash flows for the six month period ended 30 June 2013; and
- notes to the condensed consolidated interim financial information.

The Board of Directors of the Bank is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI") and the applicable provisions of Qatar Central Bank regulations. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Auditing Standards for Islamic Financial Institutions and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2013 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with the Financial Accounting Standards issued by AAOIFI and the applicable provisions of Qatar Central Bank regulations.

18 July 2013
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Qatar Auditor's Registry No. 251

CONDENSED CONSOLIDATED INCOME STATEMENT

	QR' 000s			
	For the three month period ended 30 June		For the six month period ended 30 June	
	2013 (Reviewed)	2012 (Reviewed)	2013 (Reviewed)	2012 (Reviewed)
Net income from financing activities	228,002	192,922	449,658	344,171
Net income from investing activities	93,878	58,998	197,367	128,672
Total net income from financing and investing activities	321,880	251,920	647,025	472,843
Fee and commission income	27,769	19,668	57,816	46,476
Fee and commission expense	(1,868)	(5,668)	(2,917)	(7,162)
Net fee and commission income	25,901	14,000	54,899	39,314
Net foreign exchange gain	4,504	2,880	4,588	8,508
Share of results of associates	1,592	3,260	5,610	16,515
Other income	1,201	388	7,077	2,043
Total income	355,078	272,448	719,199	539,223
Staff costs	(71,532)	(53,527)	(139,722)	(106,681)
Depreciation and amortization	(12,640)	(14,264)	(26,199)	(23,693)
Other expenses	(47,946)	(42,081)	(95,887)	(81,743)
Finance cost	(15,891)	(11,170)	(31,740)	(20,210)
Total expenses	(148,009)	(121,042)	(293,548)	(232,327)
Impairment loss on investments carried at fair value through equity	-	(24,038)	-	(24,038)
Net impairment reversal / (loss) on financing assets	5,861	(10,860)	15,154	(19,438)
Profit for the period before return to investment account holders	212,930	116,508	440,805	263,420
Return to investment account holders, net	(65,687)	(56,045)	(136,835)	(100,566)
Net profit for the period	147,243	60,463	303,970	162,854
Net profit for the period attributable to:				
Equity holders of the Bank	145,099	60,491	300,582	162,885
Non-controlling interests	2,144	(28)	3,388	(31)
Profit for the period	147,243	60,463	303,970	162,854
Earnings per share				
Basic and diluted earnings per share (QAR per share)	0.49	0.20	1.01	0.55

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	QR' 000s	
	30 June 2013 (Reviewed)	31 Dec 2012 (Audited)
ASSETS		
Cash and balances with Qatar Central Bank	975,064	853,747
Due from banks	912,013	1,026,391
Financing assets	16,520,934	15,331,735
Investment securities	7,927,794	6,652,339
Investment in associates and joint ventures	219,191	194,429
Investment property	39,824	39,824
Fixed assets	117,795	110,134
Intangible assets	783,324	807,940
Other assets	261,156	243,282
TOTAL ASSETS	27,757,095	25,259,821
LIABILITIES		
Due to banks	5,160,330	4,733,303
Customer current accounts	1,565,031	782,234
Other liabilities	473,512	459,543
TOTAL LIABILITIES	7,198,873	5,975,080
EQUITY OF INVESTMENT ACCOUNT HOLDERS	15,051,099	14,063,097
OWNERS' EQUITY		
Share capital	3,000,000	3,000,000
Legal reserve	1,710,221	1,710,221
Treasury shares	(38,349)	(38,349)
Risk reserve	302,215	302,215
Fair value reserve	6,723	26,928
Other reserve	119,542	119,542
Retained earnings	374,779	74,197
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK	5,475,131	5,194,754
Non-controlling interests	31,992	26,890
TOTAL OWNERS' EQUITY	5,507,123	5,221,644
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY	27,757,095	25,259,821

This condensed consolidated interim financial information was approved by the Board of Directors on 18 July 2013 and was signed on its behalf by:

Mohammed Bin Hamad Bin Jassim Al Thani
Chairman

Steven Troop
Chief Executive Officer

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the six month period ended 30 June 2013	QR' 000s											
	Share capital	Subscription for rights issue	Legal reserve	Treasury shares	Risk reserve	Fair value reserve	Foreign currency translation reserve	Other reserve	Retained earnings	Total equity attributable to equity holders of the Bank	Non-controlling interests	Total owners' equity
Balance at 1 January 2013	3,000,000	-	1,710,221	(38,349)	302,215	26,928	-	119,542	74,197	5,194,754	26,890	5,221,644
Fair value reserve movement	-	-	-	-	-	(20,205)	-	-	-	(20,205)	-	(20,205)
Profit for the period	-	-	-	-	-	-	-	-	300,582	300,582	3,388	303,970
Total recognised income and expense for the period	-	-	-	-	-	(20,205)	-	-	345,093	280,377	3,388	283,765
Change in ownership interest	-	-	-	-	-	-	-	-	-	-	1,714	1,714
Balance at 30 June 2013 (Reviewed)	3,000,000	-	1,710,221	(38,349)	302,215	6,723	-	119,542	374,779	5,475,131	31,992	5,507,123

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the six month period ended 30 June 2012	QR' 000s											
	Share capital	Subscription for rights issue	Legal reserve	Treasury shares	Risk reserve	Fair value reserves	Foreign currency translation reserve	Other reserves	Retained earnings	Total equity attributable to equity holders of the Bank	Non-controlling interests	Total owners' equity
Balance at 1 January 2012	1,908,691	1,746,094	986,417	(38,349)	125,657	19,573	764	94,042	181	4,843,070	203	4,843,273
Fair value reserve movement	-	-	-	-	-	1,057	-	-	-	1,057	-	1,057
Profit for the period	-	-	-	-	-	-	-	-	162,885	162,885	(31)	162,854
Total recognised income and expense for the period	-	-	-	-	-	1,057	-	-	162,885	163,942	(31)	163,911
Transfer from subscriptions for rights issue on allotment	1,091,309	(1,746,094)	654,785	-	-	-	-	-	-	-	-	-
Balance at 30 June 2012 (Reviewed)	3,000,000	-	1,641,202	(38,349)	125,657	20,630	764	94,042	163,066	5,007,012	172	5,007,184