

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

AS AT AND FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2015



بنك باروة
BARWA BANK

800 8555 - BARWABANK.COM

INDEPENDENT AUDITOR'S REVIEW REPORT

To the board of directors
Barwa Bank Q. S. C.
Doha - Qatar

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Barwa Bank Q.S.C. ("the Bank") and its subsidiaries (together referred to as the "Group") comprising the interim consolidated statement of financial position as at 31 March 2015, and the related interim consolidated statements of income, changes in owners' equity and cash flows for the three month period then ended, and certain explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI"), the applicable provisions of Qatar Central Bank regulations, the basis of accounting mentioned in note (2a) of the accompanying interim condensed consolidated financial statements and the Bank's undertaking to operate in accordance with Islamic Shari'a rules and principles. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the 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 International Standards on Auditing 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 interim condensed consolidated financial statements are not presented fairly, in all material respects, in accordance with note (2a) of the accompanying interim condensed consolidated financial statements and applicable provisions of Qatar Central Bank regulations.

For Deloitte & Touche
Qatar Branch

Doha - Qatar
31 May 2015

Muhammad Bahemia
Partner
License No. 103

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 March 2015 (Reviewed)	31 December 2014 (Audited)
ASSETS		
Cash and balances with Qatar Central Bank	1,293,187	1,265,210
Due from banks	1,724,154	2,107,985
Financing assets	25,117,899	23,045,757
Investment securities	10,530,681	10,036,132
Investment in associates and joint ventures	284,674	266,185
Investment property	4,662	4,662
Fixed assets	265,756	271,799
Intangible assets	777,230	777,230
Other assets	522,279	422,560
TOTAL ASSETS	40,520,522	38,197,520
LIABILITIES		
Due to banks	11,863,076	8,982,279
Customer current accounts	2,430,528	1,628,841
Other liabilities	980,317	930,742
TOTAL LIABILITIES	15,273,921	11,541,862
EQUITY OF INVESTMENT ACCOUNT HOLDERS		
	18,631,278	20,229,556
OWNERS' EQUITY		
Share capital	3,000,000	3,000,000
Legal reserve	1,951,750	1,951,750
Treasury shares	(38,349)	(38,349)
Risk reserve	500,645	500,645
Fair value reserve	(10,974)	(129)
Foreign currency translation reserve	1,816	1,816
Other reserves	328,940	328,940
Retained earnings	841,103	632,485
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK	6,574,931	6,377,158
Non-controlling interests	40,392	48,944
TOTAL OWNERS' EQUITY	6,615,323	6,426,102
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY		
	40,520,522	38,197,520

These interim condensed consolidated financial statements were approved by the Board of Directors on 31 May 2015 and were signed on its behalf by:

Mohammed Bin Hamad Bin Jassim Al Thani
Chairman

Khalid Yousef Al-Subeai
Acting Group Chief Executive Officer

INTERIM CONSOLIDATED STATEMENT OF INCOME

	QR' 000s	
	For the three month period ended 31 March 2015 (Reviewed)	2014 (Reviewed)
Net income from financing activities	306,481	268,354
Net income from investing activities	85,028	95,513
Total net income from financing and investing activities	391,509	363,867
Fee and commission income	32,975	27,777
Fee and commission expense	(3,875)	(3,672)
Net fee and commission income	29,100	24,105
Net foreign exchange gain	1,188	2,749
Share of results of associates and joint ventures	924	7,344
Other income	759	656
Total income	423,480	398,721
Staff costs	(77,624)	(76,276)
Depreciation and amortization	(11,425)	(10,161)
Other expenses	(38,507)	(46,368)
Finance cost	(21,676)	(10,849)
Total expenses	(149,232)	(143,654)
Net impairment reversal on financing assets	3,294	15,627
Profit for the period before return to investment account holders	277,542	270,694
Return to investment account holders	(68,724)	(69,677)
Net profit for the period	208,818	201,017
Net profit for the period attributable to:		
Equity holders of the Bank	208,618	196,809
Non-controlling interests	200	4,208
Net Profit for the period	208,818	201,017
Earnings per share		
Basic and diluted earnings per share (QAR per share)	0.70	0.66

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	QR' 000s	
	For the three month period ended 31 March 2015 (Reviewed)	2014 (Reviewed)
Cash flows from operating activities	208,818	201,017
Net profit for the period	208,818	201,017
Adjustments for:		
Impairment loss on financing assets	8,428	8,017
Depreciation	11,425	10,161
Employees' end of service benefits provision	2,647	4,705
Net gain on sale of investment securities	(20,891)	(21,594)
Dividend income	(10,989)	(10,368)
Share of results of associates and joint ventures	(924)	(7,344)
Profit before changes in operating assets and liabilities	198,514	184,594
Change in reserve account with Qatar Central Bank	41,498	(200,780)
Change in due from banks	430,076	315,451
Change in financing assets	(2,080,570)	(1,174,383)
Change in other assets	(99,719)	(70,318)
Change in due to banks	2,880,797	(2,503,610)
Change in customer current accounts	801,687	1,030,943
Change in other liabilities	48,677	(80,317)
Change in equity of investment account holders	(1,598,278)	474,604
	622,682	(2,023,816)
Dividends received	10,989	10,368
Employees' end of service benefits paid	(1,749)	(532)
Net cash from / (used in) operating activities	631,922	(2,013,980)
Cash flows from investing activities	(510,820)	1,002,232
(Acquisition)/disposal of investments	(510,820)	1,002,232
Acquisition of fixed assets	(5,382)	(136,674)
Net cash (used in)/from investing activities	(516,202)	865,558
Net increase/(decrease) in cash and cash equivalents	115,720	(1,148,422)
Cash and cash equivalents at 1 January	1,150,730	2,880,463
Cash and cash equivalents at 31 March	1,266,450	1,732,041

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

	QR' 000s										
For the three month period ended 31 March 2015	Share capital	Legal reserve	Treasury shares	Risk reserve	Fair value reserve	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 2015 (Audited)	3,000,000	1,951,750	(38,349)	500,645	(129)	1,816	328,940	632,485	6,377,158	48,944	6,426,102
Net profit for the period	-	-	-	-	-	-	-	208,618	208,618	200	208,818
Fair value reserve movement	-	-	-	-	(10,845)	-	-	-	(10,845)	-	(10,845)
Total recognised income for the period	-	-	-	-	(10,845)	-	-	208,618	197,773	200	197,973
Change in ownership interest	-	-	-	-	-	-	-	-	-	(8,752)	(8,752)
Balance at 31 March 2015 (Reviewed)	3,000,000	1,951,750	(38,349)	500,645	(10,974)	1,816	328,940	841,103	6,574,931	40,392	6,615,323
For the three month period ended 31 March 2014	Share capital	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 2014 (Audited)	3,000,000	1,809,483	(38,349)	442,494	23,850	1,682	215,155	235,352	5,689,667	43,523	5,733,190
Net profit for the period	-	-	-	-	-	-	-	196,809	196,809	4,208	201,017
Fair value reserve movement	-	-	-	-	7,562	-	-	-	7,562	-	7,562
Total recognised income for the period	-	-	-	-	7,562	-	-	196,809	204,371	4,208	208,579
Change in ownership interest	-	-	-	-	-	-	-	-	-	(983)	(983)
Balance at 31 March 2014 (Reviewed)	3,000,000	1,809,483	(38,349)	442,494	31,412	1,682	215,155	432,161	5,894,038	46,748	5,940,786