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Press release

Al Baraka Banking Group records a net profit of US\$ 53 million attributable to shareholders, for the first half of 2021
-records US\$ 27 million for the second quarter of 2021.

Manama | August 12, 2021:

The Bahrain headquartered leading Islamic banking multinational, Al Baraka Banking Group BSC (The Group), which is traded at Bahrain Bourse and Nasdaq Dubai (under the trading code "BARKA"), today announced its financial results for the second quarter of 2021. The Group announced net income of US\$ 27 million attributable to shareholders of the parent company for the second quarter of 2021, compared to US\$ 23 million for same period last year, an increase of 19%. The basic and diluted earnings per share for the second quarter of 2021 was US Cents 0.94 compared to US Cents 0.57 for the same period of 2020.

The Group's total net income recorded during the second quarter of 2021 was US\$53 million, compared to US\$ 50 million for the same period of 2020, registering an increase of 5%. This was aided by lower provisioning levels enabled by gradually improving macro-economic conditions in the countries of our operations.

The Net income for the period before net allowance for expected credit losses/ impairment and taxation decreased by 26% to US\$ 128 million during the second quarter of 2021 compared to US\$ 173 million during the second quarter of 2020 and total operating income decreased by 11% to reach US\$ 265 million during the second quarter of 2021 compared to US\$ 298 million during the same period last year.

The Group's net income attributable to shareholders of the parent company during the first half of 2021 was US\$ 53 million, compared to US\$ 47 million for the same period in 2020, registering an increase of 12%.



The basic and diluted earnings per share for the first half of 2021 was US Cents 3.05 compared to US Cents 2.54 for the same period of 2020.

The total net income was US\$ 94 million during the half year of 2021, compared to the US\$ 90 million pertaining to the same period during 2020, registering an increase of 4%. The increase in net income predominantly resulted from strong expense discipline and lower provisions aided by an improvement in economic conditions.

Total operating income decreased by 11% from US\$ 553 million during the half year of 2020, to US\$ 494 million during the same period of 2021. This decline has resulted from a combination of factors including significant currency devaluation in some markets, a significant increase in base rates in some markets and exceptional income items that were booked during the same period last year.

The equity attributable to the parent company's shareholders and Sukuk holders by the end of June 2021 amounted to US\$ 1.39 billion, compared to US\$ 1.42 billion by the end of December 2020 - a 2% decline due to foreign currency translation reserve of US\$ 75 million. Total equity reached US\$ 2.13 billion by end of June 2021, compared to the US\$ 2.22 billion by end of December 2020, showing a decrease of 4%, due to the same reason.

Total assets of the Group showed an increase of 1% by the end of June 2021, amounting to US\$ 28.47 billion, compared to US\$ 28.25 billion by the end of December 2020. During the first half of the year 2021, the Group continued to focus on maintaining a large portion of liquid assets, given the uncertain economic conditions.

Commenting on the Group's performance during the first half of 2021, the Chairman of the Board of Directors of Al Baraka Banking Group, Mr. Abdullah Saleh Kamel, said, "We have continued our efforts towards enhancing our financial performance and improving the efficiency of our operations, while simultaneously containing the repercussions of the pandemic on the organization, both at the group and subsidiary level. This has delivered good results across the Group and growth in our net income compared to last year, while also ensuring that the efforts towards supporting the communities in all the geographies continue".

Member of the Board of Directors and Group Chief Executive Officer of Al Baraka Banking Group, Mr. Mazin Manna, said, " In spite of the challenging macro-economic environment we continue to operate in as a group, we managed to deliver a satisfactory increase in net income buoyed by expense discipline and lower provisioning as a result of the gradually improving outlook and environment. This has allowed us to increase return on equity to 8.6% from 8 % a year earlier".



It may be noted that this press release, in addition to the financial statements, is available on the Bahrain Bourse website and Group's website at: www.albaraka.com

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About Al Baraka

Al Baraka Banking Group B.S.C. ("ABG") is licensed as an Islamic wholesale bank by the Central Bank of Bahrain and is listed on Bahrain Bourse and NasdaqDubai. It is a leading international Islamic banking group providing its unique services in countries with a population totaling around one billion.

The Group has a wide geographical presence in the form of subsidiary banking units and representative offices in 17 countries, which in turn provide their services through over 700 branches. Al Baraka Banking Group has operations in Jordan, Egypt, Tunis, Bahrain, Sudan, Turkey, South Africa, Algeria, Pakistan, Lebanon, Saudi Arabia, Syria, Morocco and Germany, in addition two branches in Iraq and two representative offices in Indonesia and Libya.

ABG and its Units offer retail, corporate, treasury and investment banking services, strictly in accordance with the principles of the Islamic Shari'a. The authorized capital of ABG is US\$ 2.5 billion.

S&P Global Ratings has affirmed its 'BB-/B' long- and short-term ratings on Al Baraka Banking Group B.S.C (ABG) on 8 July 2021, while it revised its outlook on ABG to negative from stable.

ABG has also been rated BBB+ (long term) / A3 (short term) by Islamic International Rating Agency (IIRA). IIRA has also rated ABG on the national scale at A+ (bh) / A2 (bh) with a fiduciary score of 81-85, the highest level amongst Islamic Financial Institutions in the region.