

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

30 June 2024 (UNAUDITED AND REVIEWED)



Review report on the interim condensed consolidated financial statements to the Board of Directors of Al Baraka Islamic Bank B.S.C. (c)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Baraka Islamic Bank B.S.C. (c) (the "Bank") and its subsidiary (together the "Group") as at 30 June 2024 and the related interim condensed consolidated statements of income, comprehensive income and income and attribution related to quasi-equity for the three-month and six-month periods then ended, and the related interim condensed consolidated statements of changes in owners' equity, cash flows and changes in off-balance sheet assets under management for the six-month period then ended and other explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with FAS 41, "*Interim Financial Reporting*". 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 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 prepared, in all material respects, in accordance with FAS 41 "*Interim Financial Reporting*".

A handwritten signature in blue ink that reads "PricewaterhouseCoopers".

Elias Abi Nakhoul
PricewaterhouseCoopers M.E Limited
Partner's registration number: 196
Manama, Kingdom of Bahrain
11 August 2024

Al Baraka Islamic Bank B.S.C. (c)**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 June 2024 (Reviewed)

	Notes	Reviewed 30 June 2024 BHD '000	Audited 31 December 2023 BHD '000
ASSETS			
Cash and balances with banks and financial institutions		97,752	91,752
Receivables	3	191,040	169,493
Ijara muntahia bittamleek and ijara receivables	4	225,935	239,310
Musharakat	5	58,172	59,669
Investments	6	397,801	398,178
Investments in real estate		2,911	2,911
Investment in joint venture		6,491	6,291
Premises and equipment		34,954	34,735
Goodwill		3,042	3,004
Other assets	7	16,947	16,514
TOTAL ASSETS		1,035,045	1,021,857
LIABILITIES, QUASI EQUITY AND OWNERS' EQUITY			
Liabilities			
Current accounts		100,166	97,571
Murabaha and other payables		156,324	152,174
Other liabilities	8	42,710	42,700
Total liabilities		299,200	292,445
QUASI EQUITY			
Participatory investment accounts		648,563	638,334
Subordinated mudaraba		4,556	4,515
Total quasi equity		653,119	642,849
Owners' equity			
Share capital		57,100	57,100
Perpetual equity-type instruments		36,192	36,192
Reserves		(9,698)	(9,100)
Accumulated losses		(9,130)	(4,873)
Equity attributable to parent's shareholders		74,464	79,319
Non-controlling interest		8,262	7,244
Total owners' equity		82,726	86,563
TOTAL LIABILITIES, QUASI EQUITY AND OWNERS' EQUITY		1,035,045	1,021,857
OFF-BALANCE SHEET ITEMS:			
ASSETS UNDER MANAGEMENT		266,389	190,964
CONTINGENCIES AND COMMITMENTS	9	97,355	96,803



Sabah Khalil Al Moayyed
Chairperson



Akram Yasein
Vice Chairman



Dr. Adel Abdulla Salem
Chief Executive Officer

The attached explanatory notes 1 to 19 form part of these interim condensed consolidated financial statements.

Al Baraka Islamic Bank B.S.C. (c)**INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME**

For the six month period ended 30 June 2024 (Reviewed)


	Notes	Three months ended 30 June		Six months ended 30 June	
		2024	2023	2024	2023
		BHD '000	BHD '000	BHD '000	BHD '000
Income from financings contracts	10	10,762	10,517	20,203	20,029
Income from investments	11	10,812	9,046	21,648	17,017
Share of income from investment in joint venture		71	119	200	232
Income from banking services	12	537	813	1,305	1,707
Other income	13	739	453	1,555	1,323
Group's mudarib / agency fee from off-balance sheet equity of investment accountholders		9	22	23	34
TOTAL INCOME		22,930	20,970	44,934	40,342
Cost of murabaha and other payables		(2,584)	(1,692)	(4,604)	(2,348)
TOTAL OPERATING INCOME					
BEFORE ATTRIBUTION TO QUASI EQUITY		20,346	19,278	40,330	37,994
Net income attributable to quasi-equity		(13,125)	(11,879)	(26,572)	(22,713)
TOTAL OPERATING INCOME		7,221	7,399	13,758	15,281
OPERATING EXPENSES					
Staff expenses		(3,119)	(2,840)	(6,118)	(5,893)
Depreciation and amortizations		(999)	(1,062)	(1,997)	(1,961)
Other operating expenses		(3,083)	(2,879)	(5,935)	(5,322)
TOTAL OPERATING EXPENSES		(7,201)	(6,781)	(14,050)	(13,176)
NET OPERATING INCOME / (LOSS)		20	618	(292)	2,105
Allowances for impairment - net	14	(377)	(1,897)	(518)	(2,434)
NET LOSS BEFORE TAXATION		(357)	(1,279)	(810)	(329)
Taxation		(1,147)	(411)	(2,361)	(1,126)
LOSS FOR THE PERIOD		(1,504)	(1,690)	(3,171)	(1,455)
Attributable to:					
Equity of the parent's shareholders		(1,986)	(2,176)	(4,184)	(2,390)
Non-controlling interest		482	486	1,013	935
		(1,504)	(1,690)	(3,171)	(1,455)



Sabah Khalil Al Moayyed
Chairperson



Akram Yassin
Vice Chairman



Dr. Adel Abdulla Salem
Chief Executive Officer

The attached explanatory notes 1 to 19 form part of these interim condensed consolidated financial statements.

Al Baraka Islamic Bank B.S.C. (c)**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the six months ended 30 June 2024 (Reviewed)

	<i>Three months ended</i>		<i>Six months ended</i>	
	30 June	<i>30 June</i>	30 June	<i>30 June</i>
	2024	<i>2023</i>	2024	<i>2023</i>
	BHD '000	<i>BHD '000</i>	BHD '000	<i>BHD '000</i>
Net loss for the period	(1,504)	(1,690)	(3,171)	(1,455)
Other comprehensive income / (losses)				
Items that may subsequently be classified to consolidated statement of income				
Surplus / (deficit) on foreign currency translations	(87)	(128)	351	(6,024)
Net changes in fair value of equity investments measured at fair value through other comprehensive income - net of tax	(300)	(149)	(944)	(249)
Remeasurement losses on defined benefit obligation	-	(26)	-	(8)
Total other comprehensive loss for the period	(387)	(303)	(593)	(6,281)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(1,891)	(1,993)	(3,764)	(7,736)
Attributable to:				
Equity of the parent's shareholders	(2,265)	(2,475)	(4,782)	(6,374)
Non-controlling interest	374	482	1,018	(1,362)
	(1,891)	(1,993)	(3,764)	(7,736)

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

Al Baraka Islamic Bank B.S.C. (c)**INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME AND
ATTRIBUTION TO QUASI-EQUITY**

For the six months ended 30 June 2024 (Reviewed)

	<i>Three months ended</i>		<i>Six months ended</i>	
	30 June	<i>30 June</i>	30 June	<i>30 June</i>
	2024	2023	2024	2023
	BHD '000	<i>BHD '000</i>	BHD '000	<i>BHD '000</i>
Total operating income				
before attribution to quasi equity	20,346	19,278	40,330	37,994
Adjustments for:				
Less: net operating income from self-financed assets	(4,983)	(4,947)	(9,798)	(11,344)
Less: expenses attributable to quasi-equity	(878)	(858)	(1,801)	(1,710)
Less: allowances for impairment and credit losses - attributable to quasi-equity	(281)	(647)	(997)	(833)
Total income available for quasi-equity holders	14,204	12,826	27,734	24,107
<i>Profit equalization reserve - net movement</i>	-	-	-	155
Total income attributable to				
quasi-equity (adjusted for reserves)	14,204	12,826	27,734	24,262
Less: Bank's share as Mudarib (net of hibba)	(1,081)	(946)	(1,163)	(1,549)
Net income attributable to quasi-equity	13,123	11,880	26,571	22,713

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the six month period ended 30 June 2024 (Reviewed)

	Equity attributable to shareholders of the Parent											
	Share capital	Perpetual equity-type instruments	Statutory	General	Employee defined benefit plan	Cumulative changes in fair value	Revaluation of premises and equipment	Foreign exchange	(Accumulated losses) / retained earnings	Equity attributable to parent's shareholders	Non-controlling interest	Total owners' equity
Balance at 1 January 2024	57,100	36,192	9,847	3,275	(109)	2,595	118	(24,826)	(4,873)	79,319	7,244	86,563
(Loss) / income for the period	-	-	-	-	-	-	-	-	(4,184)	(4,184)	1,013	(3,171)
Other comprehensive (loss) / income	-	-	-	-	-	(818)	-	220	-	(598)	5	(593)
Distribution of Zakat	-	-	-	-	-	-	-	-	(73)	(73)	-	(73)
Balance at 30 June 2024	57,100	36,192	9,847	3,275	(109)	1,777	118	(24,606)	(9,130)	74,464	8,262	82,726
Balance at 1 January 2023	57,100	36,192	9,847	3,275	(53)	1,494	129	(21,278)	6,090	92,796	7,485	100,281
(Loss) / income for the period	-	-	-	-	-	-	-	-	(2,390)	(2,390)	935	(1,455)
Other comprehensive (loss) / income	-	-	-	-	(5)	(155)	-	(3,825)	-	(3,985)	(2,294)	(6,279)
Distribution of Zakat	-	-	-	-	-	-	-	-	(193)	(193)	-	(193)
Balance at 30 June 2023	57,100	36,192	9,847	3,275	(58)	1,339	129	(25,103)	3,507	86,228	6,126	92,354

The attached explanatory notes 1 to 19 form part of these interim condensed consolidated financial statements.

Al Baraka Islamic Bank B.S.C. (c)**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the six month period ended 30 June 2024 (Reviewed)

	<i>Six months ended</i>	
	<i>30 June</i>	
	2024	2023
	BHD '000	BHD '000
OPERATING ACTIVITIES		
Net loss before taxation	(810)	(329)
Adjustments for :		
Depreciation and amortizations	1,997	1,961
Allowances for impairment - net	518	2,434
Loss on sale of premises and equipment	40	-
Gain / (loss) on sale of investments (Note 11)	(112)	452
Share of income from investment in joint venture	(200)	(232)
Operating profit before changes in operating assets and liabilities	<u>1,433</u>	<u>4,286</u>
Net changes in operating assets and liabilities:		
Balances with central banks in mandatory reserves	2,892	(1,628)
Receivables	9,772	1,923
Ijara muntahia bittamleek and ijara receivables	13,208	(33,312)
Musharakat	2,832	23,592
Other assets	(477)	401
Other liabilities	(2)	(2,308)
Murabaha and other payables	4,150	106,587
Current accounts	2,595	28,084
Participatory investment accounts	10,228	(73,103)
Tax paid	(2,421)	(2,119)
Net cash generated from operating activities	<u>44,210</u>	<u>52,403</u>
INVESTING ACTIVITIES		
Purchase of investments	(108,098)	(36,243)
Proceeds from sale / redemption of investments	107,623	73,217
Net (purchase) / sale of premises and equipment	(2,256)	600
Net cash (used in) / generated from investing activities	<u>(2,731)</u>	<u>37,574</u>
FINANCING ACTIVITIES		
Net movement in subordinated mudaraba	41	(1,281)
Zakah paid	(73)	(193)
Net cash used in financing activities	<u>(32)</u>	<u>(1,474)</u>
Foreign currency translation adjustments	313	(5,245)
NET INCREASE IN CASH AND CASH EQUIVALENTS	41,760	83,258
Cash and cash equivalents at 1 January	<u>72,491</u>	<u>45,440</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>114,251</u>	<u>128,698</u>

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents comprise the following:

Cash in hand	9,239	10,200
Balances with central banks in unrestricted accounts	26,617	21,296
Balances with other banks and financial institutions (with original maturity of 3 months or less)	26,735	41,309
Receivables - Commodities and Wakala placement with FIs (with original maturity of 3 months or less)	51,660	55,893
TOTAL CASH AND CASH EQUIVALENTS	<u>114,251</u>	<u>128,698</u>

The attached explanatory notes 1 to 19 form part of these interim condensed consolidated financial statements

Al Baraka Islamic Bank B.S.C. (c)**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OFF-BALANCE****SHEET ASSETS UNDER MANAGEMENT**

For the six month period ended 30 June 2024 (Reviewed)

	Balance at 1 January 2024 BHD '000	Net deposits BHD '000	Gross income BHD '000	Mudarib/ agency fee BHD '000	Balance at 30 June 2024 BHD '000
Wakala Bi Al-Istithmar on balance sheet jointly financed assets	136,497	41,277	4,828	(793)	181,809
Receivables	46,077	26,813	1,106	(13)	73,983
Investments	8,390	1,663	555	(11)	10,597
	190,964	69,753	6,489	(817)	266,389
	Balance at 1 January 2023 BHD '000	Net deposits/ (withdrawals) BHD '000	Gross income BHD '000	Mudarib/ agency fee BHD '000	Balance at 30 June 2023 BHD '000
Wakala Bi Al-Istithmar on balance sheet jointly financed assets	241,600	(70,337)	5,816	(1,392)	175,687
Receivables	61,305	(14,345)	2,171	(34)	49,097
Investments	10,266	(1,526)	-	-	8,740
	313,171	(86,208)	7,987	(1,426)	233,524

The attached explanatory notes 1 to 19 form part of these interim condensed consolidated financial statements.

For the six month period ended 30 June 2024 (Reviewed)

1 INCORPORATION AND PRINCIPAL ACTIVITIES

Al Baraka Islamic Bank B.S.C. (c) (the "Bank") is a closed shareholding company incorporated in the Kingdom of Bahrain on 21 February 1984. The Bank operates under a Retail Banking license number RB/025 issued by the Central Bank of Bahrain (CBB). The Bank has five commercial branches in the Kingdom of Bahrain. The Bank is 92.81% (2023: 92.81%) owned by Al Baraka Group B.S.C. (the "Ultimate Parent").

The principal activities of the Bank and its subsidiary (the "Group") are taking demand, saving and investment accounts, providing Murabaha, Ijara and other Shari'a compliant forms of financing as well as managing investors' money on the basis of Mudaraba or agency for a fee, providing commercial banking services and other investment activities. The Bank's registered office is at Bahrain Bay, P.O. Box 1882, Manama, Kingdom of Bahrain.

These interim condensed consolidated financial statements were approved by the Board of Directors on 11 August 2024.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of Preparation

The interim condensed consolidated financial statements of the Group are prepared in accordance with applicable rules and regulations issued by the Central Bank of Bahrain ("CBB"). These rules and regulations require the adoption of all Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organisation of Islamic Financial Institutions (AAOIFI). In accordance with the AAOIFI framework, for matters not covered by FAS, the Group uses the requirements of the relevant IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). This framework is referred to as "FAS issued by AAOIFI". Accordingly, the interim condensed consolidated financial statements of the Group has been presented in condensed form in accordance with the guidance provided by Financial Accounting Standard 41 - Interim Financial Reporting.

The interim condensed consolidated financial statements do not contain all information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the annual consolidated financial statements as at 31 December 2023. In addition, results for the six month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

Regulatory non-compliance - CBB rule book volume 2 - High level standards

Rule LR-2.5.2A requires all Bahraini Islamic retail bank licensees to maintain a minimum total equity of BD 100 million. The Group is in breach of this rule as at 30 June 2024 as the equity stood at BD 82.9 million as of that date. The Bank has applied for exemption from CBB in its letter dated 3 December 2023 referencing to their meeting held at the CBB premises on 27 November 2023 and as per their discussion as well as earlier communication with CBB related to capital increase, that the Bank are working on action plan that will be delivered before 30 September 2024 to reinstate the capital position with not later than 31 December 2024. In this regards, the Bank is currently working in collaboration with its major shareholder to develop, submit and implement a comprehensive capitalization plan to cover said breach within timelines prescribed by CBB.

2.2 Significant accounting policies

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of annual audited consolidated financial statements of the Group for the year ended 31 December 2023 except for the changes due to adoption of new and amended standards as set out in note 2.5.

2.3 Accounting convention

The interim condensed consolidated financial statements are prepared on a historical cost basis, except for investment in real estate, equity-type instruments through other comprehensive income, equity-type instruments through income statement, debt type instruments through other comprehensive, debt type instruments through income statement and land owned by the Group (classified as premises and equipment) that have been measured at fair value.

The interim condensed consolidated financial statements are presented in Bahraini Dinars (BHD), being the reporting currency of the Group. All values are rounded to nearest Bahraini Dinars (BHD) thousand unless otherwise indicated. The functional currency of the Bank is Bahraini Dinars and that of the subsidiary is Pakistani Rupees. Items included in the interim condensed consolidated financial statements of each entity are measured using their respective functional currency.

For the six month period ended 30 June 2024 (Reviewed)

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.4 Basis of consolidation

These interim condensed consolidated financial statements include the interim condensed financial statements of the Bank and its subsidiary.

The following is the subsidiary of the Bank, which is consolidated in these interim condensed consolidated financial statements:

	<i>Ownership for 2024 / 2023</i>	<i>Year of incorporation</i>	<i>Country of incorporation</i>	<i>No. of branches/ offices at 30 June 2024/ 31 December 2023</i>
Held directly by the Bank				
Al Baraka Bank (Pakistan) Limited	59.13% / 59.13%	2004	Pakistan	170 / 170

2.5 New standards, interpretations and amendments adopted by the Group

During the period, the Group applied the following standards and amendments to standards in preparation of these interim condensed consolidated financial statements. The adoption of the below standards and amendments to standards did not result in changes to previously reported net income or equity of the Group. However, the adoption of these standards has resulted in additional disclosures and re-classification of previously reported financial statements and notes.

2.5.1 FAS 1 (Revised 2021) - General Presentation and Disclosures in the Financial Statements

AAOIFI has issued revised FAS 1 in 2021. The revised FAS 1 supersedes the earlier FAS 1 General Presentation and Disclosures in the Financial Statements of Islamic Banks and Financial Institutions and introduces the concepts of quasi-equity, off-balance-sheet assets under management and other comprehensive income to enhance the information provided to the users of the financial statements. This Group has adopted this standard effectively from 1 January 2024. The adoption of this standard does not have any significant impact on recognition and measurement.

The revision of FAS 1 is in line with the modifications made to the AAOIFI conceptual framework for financial reporting.

Some of the significant revisions to the standard are as follows:

- a) Revised conceptual framework is now integral part of the AAOIFI FAS's;
- b) Definition of Quasi equity is introduced;
- c) Definitions have been modified and improved;
- d) Concept of comprehensive income has been introduced;
- e) Institutions other than Banking institutions are allowed to classify assets and liabilities as current and non-current;

2.5.1 FAS 1 (Revised 2021) - General Presentation and Disclosures in the Financial Statements - continued

- f) Disclosure of Zakah and Charity have been relocated to the notes;
- g) True and fair override has been introduced;
- h) Treatment for change in accounting policies, change in estimates and correction of errors has been introduced;
- i) Disclosures of related parties, subsequent events and going concern have been improved;
- j) Improvement in reporting for foreign currency, segment reporting; and
- k) Presentation and disclosure requirements have been divided into three parts. First part is applicable to all institutions, second part is applicable only to banks and similar IFI's and third part prescribes the authoritative status, effective date an amendments to other AAOIFI FASs.

2.5.2 FAS 40 - Financial Reporting for Islamic Finance Windows

AAOIFI has issued FAS 40 in 2021. The objective of this revised standard is to establish financial reporting requirements for Islamic finance windows and applicable to all conventional financial institutions providing Islamic financial services through an Islamic finance window. This standard improves upon and supersedes FAS 18 "Islamic Financial Services Offered by Conventional Financial Institutions". This standard shall be effective for the financial periods beginning on or after 1 January 2024 with early adoption permitted. As per the Group evaluation, the implementation of this standard will not have any impact on its financial statements.

For the six month period ended 30 June 2024 (Reviewed)

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)**2.6 New standards, amendments and interpretations issued but not yet effective****2.6.1 FAS 45 - Quasi-Equity (Including Investment Accounts)**

AAOIFI has issued FAS 45 in 2023. This standard prescribes the principles of financial reporting related to the participatory investment instruments (including investment accounts) in which an Islamic financial institution controls the underlying assets (mostly, as a working partner), on behalf of the stakeholders other than the owners' equity. Such instruments (including, in particular, the unrestricted investment accounts) normally qualify for on-balance-sheet accounting and are reported as quasi-equity. This standard also provides the overall criteria for on-balance-sheet accounting for participatory investment instruments and quasi-equity, as well as, pooling, recognition, derecognition, measurement, presentation and disclosure for quasi-equity. It further addresses financial reporting related to other quasi-equity instruments and certain specific issues. This standard shall be effective for the financial reporting periods beginning on or after 1 January 2026.

The concept of quasi-equity has been introduced in FAS 1 "General Presentation and Disclosures in the Financial Statements (Revised 2021)". The Group shall address the requirements of FAS 45 "Quasi-Equity (Including Investment Accounts)" on the effective date of the standard.

2.6.2 FAS 46 - Off-Balance sheet Assets Under Management

AAOIFI has issued FAS 46 in 2023. This standard prescribes the criteria for characterisation of off-balance sheet assets under management, and the related principles of financial reporting in line with the "AAOIFI Conceptual Framework for Financial Reporting". The standard encompasses the aspects of recognition, derecognition, measurement, selection and adoption of accounting policies, related to off-balance-sheet assets under management, as well as certain specific aspects of financial reporting such as impairment and onerous commitments by the institution. The standard also includes the presentation and disclosure requirements particularly aligning the same with the requirements of the revised FAS 1 "General Presentation and Disclosures in the Financial Statements" in respect of the statement of changes in off-balance sheet assets under management. This standard, along with, FAS 45 "Quasi-Equity (Including Investment Accounts)", supersedes the earlier FAS 27 "Investment Accounts". This standard shall be effective for the financial periods beginning on or after 1 January 2026 and shall be adopted at the same time of adoption of FAS 45 - Quasi-Equity (Including Investment Accounts).

2.6.3 FAS 47 - Transfer of Assets Between Investment Pools

AAOIFI has issued FAS 47 in 2023. This standard prescribes the financial reporting principles and disclosure requirements applicable to all transfers between investment pools related to (and where material, between significant categories of) owners' equity, quasi-equity and off-balance sheet assets under management of an institution. It requires adoption and consistent application of accounting policies for such transfers in line with Shari'ah principles and rules and describes general disclosure requirements in this respect. This standard shall be effective for the financial periods beginning or after 1 January 2026 and supersedes the earlier FAS 21 "Disclosure on Transfer of Assets".

For the six month period ended 30 June 2024 (Reviewed)

3 RECEIVABLES

	<i>Reviewed</i> 30 June 2024			<i>Audited</i> 31 December 2023		
	<i>Self financed BHD '000</i>	<i>Jointly financed BHD '000</i>	<i>Total BHD '000</i>	<i>Self financed BHD '000</i>	<i>Jointly financed BHD '000</i>	<i>Total BHD '000</i>
Commodities, wakala and musharaka placement with financial institutions	51,667	-	51,667	18,789	-	18,789
Salam financing	-	12,759	12,759	-	9,840	9,840
Istisna'a financing	-	44,021	44,021	-	38,822	38,822
Murabaha financing	424	115,859	116,283	424	134,956	135,380
Credit cards and others receivables	-	6,682	6,682	-	6,542	6,542
Gross receivables	52,091	179,321	231,412	19,213	190,160	209,373
Deferred profits	-	(14,967)	(14,967)	-	(16,176)	(16,176)
	52,091	164,354	216,445	19,213	173,984	193,197
Less: Allowances for expected credit losses (3.1)	(431)	(24,974)	(25,405)	(425)	(23,279)	(23,704)
Net receivables	51,660	139,380	191,040	18,788	150,705	169,493

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and stage classification. The amounts presented are gross of expected credit losses ("ECL").

	<i>Reviewed</i> 30 June 2024				<i>Audited</i> 31 December 2023			
	<i>Stage 1 BHD '000</i>	<i>Stage 2 BHD '000</i>	<i>Stage 3 BHD '000</i>	<i>Total BHD '000</i>	<i>Stage 1 BHD '000</i>	<i>Stage 2 BHD '000</i>	<i>Stage 3 BHD '000</i>	<i>Total BHD '000</i>
Good (1-4)	94,206	15,949	-	110,155	88,784	7,215	-	95,999
Satisfactory (5-7)	55,811	18,225	-	74,036	49,107	20,055	-	69,162
Default (8-10)	-	-	32,254	32,254	-	-	28,036	28,036
	150,017	34,174	32,254	216,445	137,891	27,270	28,036	193,197

3.1 Allowances for expected credit losses

An analysis of the changes in ECL allowances, is as follows:

	<i>Reviewed</i> 30 June 2024			
	<i>Stage 1: 12-month ECL BHD '000</i>	<i>Stage 2: Lifetime ECL not credit- impaired BHD '000</i>	<i>Stage 3: Lifetime ECL credit- impaired BHD '000</i>	<i>Total BHD '000</i>
Balance at 1 January	719	3,394	19,592	23,705
Changes during the period:				
- transferred to Stage 1: 12 month ECL	11	(10)	(1)	-
- transferred to Stage 2: Lifetime ECL not credit-impaired	(11)	11	-	-
- transferred to Stage 3: Lifetime ECL credit-impaired	-	(241)	241	-
Net remeasurement of loss allowance	272	(41)	1,402	1,633
Recoveries / write-backs	-	-	(81)	(81)
Allowances for credit losses	272	(281)	1,561	1,552
FX translation	1	2	145	148
Balance at 30 June	992	3,115	21,298	25,405

Al Baraka Islamic Bank B.S.C. (c)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended 30 June 2024 (Reviewed)

3 RECEIVABLES (continued)
3.1 Allowances for expected credit losses (continued)

	<i>Audited</i>			<i>Total</i>
	<i>31 December 2023</i>			
	<i>Stage 1: 12-month ECL</i>	<i>Stage 2: Lifetime ECL not credit-impaired</i>	<i>Stage 3: Lifetime ECL credit-impaired</i>	
	<i>BHD '000</i>	<i>BHD '000</i>	<i>BHD '000</i>	<i>BHD '000</i>
Balance at 1 January	614	3,427	20,461	24,502
Changes during the year:				
- transferred to Stage 1: 12 month ECL	21	(19)	(2)	-
- transferred to Stage 2: Lifetime ECL not credit-impaired	(44)	76	(32)	-
- transferred to Stage 3: Lifetime ECL credit-impaired	-	(516)	516	-
Net remeasurement of loss allowance	129	461	1,462	2,052
Recoveries / write-backs	-	-	(95)	(95)
Allowances for credit losses	106	2	1,849	1,957
Amounts written off during the year	-	-	(17)	(17)
FX translation	(1)	(35)	(2,701)	(2,737)
Balance at 31 December	719	3,394	19,592	23,704

4 IJARA MUNTAHIA BITTAMLEEK AND IJARA RECEIVABLES

	<i>Reviewed</i>			<i>Audited</i>		
	<i>30 June 2024</i>			<i>31 December 2023</i>		
	<i>Self financed</i>	<i>Jointly financed</i>	<i>Total</i>	<i>Self financed</i>	<i>Jointly financed</i>	<i>Total</i>
	<i>BHD '000</i>	<i>BHD '000</i>	<i>BHD '000</i>	<i>BHD '000</i>	<i>BHD '000</i>	<i>BHD '000</i>
Ijara muntahia bittamleek	2,796	209,134	211,930	3,226	220,614	223,840
Ijara income receivables	1,059	17,339	18,398	1,163	18,529	19,692
	3,855	226,473	230,328	4,389	239,143	243,532
Less: Allowances for expected credit losses (4.1)	(26)	(4,367)	(4,393)	(32)	(4,190)	(4,222)
	3,829	222,106	225,935	4,357	234,953	239,310

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and stage classification. The amounts presented are gross of expected credit losses.

	<i>Reviewed</i>				<i>Audited</i>			
	<i>30 June 2024</i>				<i>31 December 2023</i>			
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
	<i>BHD '000</i>	<i>BHD '000</i>	<i>BHD '000</i>	<i>BHD '000</i>	<i>BHD '000</i>	<i>BHD '000</i>	<i>BHD '000</i>	<i>BHD '000</i>
Good (1-4)	210,391	1,300	-	211,691	221,425	50	-	221,475
Satisfactory (5-7)	9,415	564	-	9,979	12,011	3,547	-	15,558
Default (8-10)	-	-	8,658	8,658	-	-	6,499	6,499
	219,806	1,864	8,658	230,328	233,436	3,597	6,499	243,532

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended 30 June 2024 (Reviewed)

4 IJARA MUNTAHIA BITTAMLEEK AND IJARA RECEIVABLES (continued)

4.1 Allowances for expected credit losses

An analysis of the changes in ECL allowances, is as follows:

	<i>Reviewed</i> 30 June 2024			
	Stage 1: 12- month ECL	Stage 2: Lifetime ECL not credit- impaired	Stage 3: Lifetime ECL credit- impaired	Total
	BHD '000	BHD '000	BHD '000	BHD '000
Balance at 1 January	338	286	3,598	4,222
Changes during the period:				
- transferred to Stage 1: 12 month ECL	14	(14)	-	-
- transferred to Stage 2: Lifetime ECL not credit-impaired	(27)	27	-	-
- transferred to Stage 3: Lifetime ECL credit-impaired	-	(254)	254	-
Net remeasurement of loss allowance	(46)	106	122	182
Recoveries / write-backs	-	-	(15)	(15)
Allowances for credit losses	(59)	(135)	361	167
FX translation	-	-	4	4
Balance at 30 June	279	151	3,963	4,393

	<i>Audited</i> 31 December 2023			
	Stage 1: 12- month ECL	Stage 2: Lifetime ECL not credit- impaired	Stage 3: Lifetime ECL credit-impaired	Total
	BHD '000	BHD '000	BHD '000	BHD '000
Balance at 1 January	240	43	2,665	2,948
Changes during the year:				
- transferred to Stage 1: 12 month ECL	6	(6)	-	-
- transferred to Stage 2: Lifetime ECL not credit-impaired	(5)	5	-	-
- transferred to Stage 3: Lifetime ECL credit-impaired	(9)	(3)	11	(1)
Net remeasurement of loss allowance	106	247	1,435	1,788
Recoveries / write-backs	-	-	(437)	(437)
Allowances for credit losses	98	243	1,009	1,350
FX translation	-	-	(76)	(76)
Balance at 31 December	338	286	3,598	4,222

5 MUSHARAKAT

	<i>Reviewed</i> 30 June 2024			<i>Audited</i> 31 December 2023		
	<i>Self financed</i> BHD '000	<i>Jointly financed</i> BHD '000	<i>Total</i> BHD '000	<i>Self financed</i> BHD '000	<i>Jointly financed</i> BHD '000	<i>Total</i> BHD '000
Musharakat	-	62,812	62,812	8,638	56,930	65,568
Less: Allowances for expected credit losses (5.1)	-	(4,640)	(4,640)	-	(5,899)	(5,899)
	-	58,172	58,172	8,638	51,031	59,669

For the six month period ended 30 June 2024 (Reviewed)

5 MUSHARAKAT (continued)

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and stage classification. The amounts presented are gross of expected credit losses.

	<i>Reviewed</i> 30 June 2024				<i>Audited</i> 31 December 2023			
	<i>Stage 1</i> <i>BHD '000</i>	<i>Stage 2</i> <i>BHD '000</i>	<i>Stage 3</i> <i>BHD '000</i>	<i>Total</i> <i>BHD '000</i>	<i>Stage 1</i> <i>BHD '000</i>	<i>Stage 2</i> <i>BHD '000</i>	<i>Stage 3</i> <i>BHD '000</i>	<i>Total</i> <i>BHD '000</i>
Good (1-4)	41,671	2,644	-	44,315	40,990	2,376	-	43,366
Satisfactory (5-7)	136	13,866	-	14,002	914	17,709	-	18,623
Default (8-10)	-	-	4,495	4,495	-	-	3,579	3,579
	41,807	16,510	4,495	62,812	41,904	20,085	3,579	65,568

5.1 Allowances for expected credit losses

An analysis of the changes in ECL allowances, is as follows:

	<i>Reviewed</i> 30 June 2024			
	<i>Stage 1: 12-month ECL</i> <i>BHD '000</i>	<i>Stage 2: Lifetime ECL not credit-impaired</i> <i>BHD '000</i>	<i>Stage 3: Lifetime ECL credit-impaired</i> <i>BHD '000</i>	<i>Total</i> <i>BHD '000</i>
Balance at 1 January	831	1,323	3,745	5,899
Changes during the period:				
- transferred to Stage 1: 12 month ECL	9	(9)	-	-
- transferred to Stage 2: Lifetime ECL not credit-impaired	(40)	40	-	-
Net remeasurement of loss allowance	(554)	(806)	26	(1,334)
Allowances for expected credit losses	(585)	(775)	26	(1,334)
FX translation	11	17	47	75
Balance at 30 June	257	565	3,818	4,640

	<i>Audited</i> 31 December 2023			
	<i>Stage 1: 12-month ECL</i> <i>BHD '000</i>	<i>Stage 2: Lifetime ECL not credit-impaired</i> <i>BHD '000</i>	<i>Stage 3: Lifetime ECL credit-impaired</i> <i>BHD '000</i>	<i>Total</i> <i>BHD '000</i>
Balance at 1 January	739	769	2,575	4,083
Changes during the year:				
- transferred to Stage 1: 12 month ECL	19	(19)	-	-
- transferred to Stage 2: Lifetime ECL not credit-impaired	(27)	27	-	-
Net remeasurement of loss allowance	225	718	1,677	2,620
Allowances for credit losses	217	726	1,677	2,620
FX translation	(125)	(172)	(507)	(804)
Balance at 31 December	831	1,323	3,745	5,899

For the six month period ended 30 June 2024 (Reviewed)

6 INVESTMENTS

	Reviewed 30 June 2024			Audited 31 December 2023		
	Self financed BHD '000	Jointly financed BHD '000	Total BHD '000	Self financed BHD '000	Jointly financed BHD '000	Total BHD '000
i) Equity-type instruments at fair value through statement of income						
Quoted						
Listed equity shares	133	28	161	-	-	-
	133	28	161	-	-	-
ii) Equity-type instruments at fair value through equity						
Quoted						
Listed equity shares	10,453	-	10,453	11,535	92	11,627
Unquoted						
Unlisted equity shares	3,362	173	3,535	3,362	155	3,517
Managed funds	377	-	377	377	-	377
Real estate funds	-	7,359	7,359	-	7,525	7,525
	14,192	7,532	21,724	15,274	7,772	23,046
Less: Provision for impairment	(825)	(67)	(892)	(1,136)	(131)	(1,267)
Total equity investments	13,500	7,493	20,993	14,138	7,641	21,779
iii) Debt-type instruments at fair value through statement of income						
Quoted						
Sukuk	-	137	137	12,871	3,998	16,869
iv) Debt-type instruments at fair value through equity (6.1)						
Quoted						
Sukuk	66,081	88,627	154,708	71,720	74,805	146,525
Unquoted						
Sukuk	4,680	748	5,428	-	7,431	7,431
	70,761	89,375	160,136	71,720	82,236	153,956
v) Debt-type instruments at amortised cost (6.1)						
Quoted						
Sukuk	118,502	74,109	192,611	107,443	74,189	181,632
Unquoted						
Sukuk	-	24,371	24,371	-	24,370	24,370
	118,502	98,480	216,982	107,443	98,559	206,002
Less: Allowance for expected credit losses (6.2)	(200)	(247)	(447)	(178)	(250)	(428)
Total debt-type investments	189,063	187,745	376,808	191,856	184,543	376,399
Total investments	202,563	195,238	397,801	205,994	192,184	398,178

Within unquoted investments which are held at fair value through equity are investments amounting to BHD 10.4 million (2023: BHD 10.5 million) which are held at cost less allowance for impairment. These are mainly investments in unlisted companies whose shares are not traded on active markets. The investments are primarily in closely-held companies and structured products. The investments are held at cost less provision for impairment due to the unpredictable nature of their future cash flows and the lack of other suitable methods for determining a reliable fair value.

The Group's investments in sukuk held at amortised cost amounting to BHD 216.9 million (2023: BHD 205.9 million) have a fair value amounting to BHD 212.8 million (2023: BHD 199.8 million).

Investments having face value amounting to BHD 45 million (2023: Nil) are pledged to secure repurchase facilities (REPO) from financial institutions.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended 30 June 2024 (Reviewed)

6 INVESTMENTS (continued)

6.1 Debt-type instruments

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and stage classification. The amounts presented are gross of expected credit losses.

	Reviewed 30 June 2024				Audited 31 December 2023			
	Stage 1 BHD '000	Stage 2 BHD '000	Stage 3 BHD '000	Total BHD '000	Stage 1 BHD '000	Stage 2 BHD '000	Stage 3 BHD '000	Total BHD '000
Good (1-4)	159,525	-	-	159,525	170,824	-	-	170,824
Satisfactory (5-7)	216,596	1,134	-	217,730	204,869	1,134	-	206,003
	376,121	1,134	-	377,255	375,693	1,134	-	376,827

6.2 Allowances for expected credit losses

An analysis of the changes in ECL allowances, is as follows:

	Reviewed 30 June 2024		
	Stage 1: 12-month ECL BHD '000	Stage 2: Lifetime ECL not credit-impaired BHD '000	Total BHD '000
Balance at 1 January	309	119	428
Changes during the year			
Net remeasurement of loss allowance	25	(6)	19
Allowances for expected credit losses	25	(6)	19
FX translation	-	-	-
Balance at 30 June	334	113	447
	Audited 31 December 2023		
Balance at 1 January	119	-	119
Changes during the year			
- transferred to Stage 2: Lifetime 'ECL not credit-impaired	(11)	11	-
Net remeasurement of loss allowance	202	108	310
Allowances for expected credit losses	191	119	310
FX translation	(1)	-	(1)
Balance at 31 December	309	119	428

7 OTHER ASSETS

	Reviewed 30 June 2024 BHD '000	Audited 31 December 2023 BHD '000
Accounts receivable	4,013	5,428
Deferred tax (7.1)	4,763	4,576
Collaterals pending sale	4,468	3,615
Others	2,083	2,370
Prepayments	1,925	1,127
	17,252	17,116
Less: Provision for impairment	(305)	(602)
	16,947	16,514

For the six month period ended 30 June 2024 (Reviewed)

7 OTHER ASSETS (continued)

7.1 The net deferred tax asset has been recognised in accordance with the Group's accounting policy. The management based on recent financial projections prepared, estimates that sufficient taxable profits would be available in future against which the deferred tax asset could be realised.

8 OTHER LIABILITIES

	<i>Reviewed</i> 30 June 2024 <i>BHD '000</i>	<i>Audited</i> 31 December 2023 <i>BHD '000</i>
Bills payable	13,126	13,992
Margins received	9,712	7,724
Accounts payable	7,211	9,151
Advance payments from customers	1,739	2,832
Provision for employees benefits	3,059	2,340
Operating ijarah liability	2,697	990
Accrued expenses	1,559	2,137
Valuation of foreign exchange contracts	500	660
Others	2,458	1,779
Taxation and duties	270	205
Charity fund	199	99
Security deposit against ijara muntahia bittamleek	98	70
Allowance for expected credit losses-unfunded facilities	82	721
	42,710	42,700

9 CONTINGENCIES AND COMMITMENTS

	<i>Reviewed</i> 30 June 2024 <i>BHD '000</i>	<i>Audited</i> 31 December 2023 <i>BHD '000</i>
Foreign exchange contracts	44,538	23,211
Guarantees	28,372	31,112
Letters of credit	18,212	36,304
Acceptances	3,160	2,498
Taxation	3,044	3,663
Others	29	15
	97,355	96,803

10 INCOME FROM FINANCING CONTRACTS

	<i>Six months ended</i> 30 June	
	2024 <i>BHD '000</i>	2023 <i>BHD '000</i>
Income from receivables	7,695	7,215
Income from participatory investments	5,992	6,636
Income from ijarah muntahia bittamleek	6,516	6,178
	20,203	20,029
Income from jointly financed financing assets	18,737	18,835
Income from self financed financing assets	1,466	1,194
	20,203	20,029

Al Baraka Islamic Bank B.S.C. (c)**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six month period ended 30 June 2024 (Reviewed)

11 INCOME FROM INVESTMENTS

	<i>Six months ended</i>	
	<i>30 June</i>	
	2024	2023
	BHD '000	BHD '000
Yield, coupon or return on investments	20,718	16,800
Gain / (loss) on sale of investments	112	(452)
Dividend income	749	635
Income from real estate investments	69	34
	21,648	17,017
Income from jointly financed investments	11,795	7,815
Income from self financed investments	9,853	9,202
	21,648	17,017

12 INCOME FROM BANKING SERVICES

	<i>Six months ended</i>	
	<i>30 June</i>	
	2024	2023
	BHD '000	BHD '000
Fees and commissions	1,123	1,509
Letters of credit and acceptances	142	107
Guarantees	40	91
	1,305	1,707

13 OTHER INCOME

	<i>Six months ended</i>	
	<i>30 June</i>	
	2024	2023
	BHD '000	BHD '000
Foreign exchange gain - net	917	684
Others	638	639
	1,555	1,323

14 ALLOWANCES FOR IMPAIRMENT - NET

	<i>Six months ended</i>	
	<i>30 June</i>	
	2024	2023
	BHD '000	BHD '000
(Charges) / reversals against:		
Receivables	(1,552)	(836)
Ijara muntahia bittamleek and ijara receivables	(167)	(416)
Musharakat	1,334	(1,154)
Investments - debt type	(18)	(9)
Investments - equity type	-	-
Off balance sheet assets under management	(12)	(15)
Other assets	(103)	(4)
	(518)	(2,434)

Al Baraka Islamic Bank B.S.C. (c)**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six month period ended 30 June 2024 (Reviewed)

15 SEGMENTAL INFORMATION

Segmental information is presented in respect of the Group's geographical segments. The geographical segments are based upon the location of the units responsible for recording the transactions and reflects the manner in which financial information is evaluated by management and the Board of Directors.

For financial reporting purposes, the Group is divided into two geographical segments, Middle East and Other Asian Countries. Other Asian Countries represent operations in Islamic Republic of Pakistan.

The results reported for the geographic segments are based on the Group's internal financial reporting systems. The accounting policies of the segments are the same as those applied in the preparation of the Group's interim condensed consolidated financial statements. Transactions between segments are conducted at estimated market rates.

The segmental assets and liabilities of the Group were as follows:

	<i>Middle East</i>		<i>Other Asian Countries</i>		<i>Total</i>	
	30 June	<i>31 December</i>	30 June	<i>31 December</i>	30 June	<i>31 December</i>
	2024	2023	2024	2023	2024	2023
	BHD '000	<i>BHD '000</i>	BHD '000	<i>BHD '000</i>	BHD '000	<i>BHD '000</i>
Assets	697,427	681,142	337,618	340,715	1,035,045	1,021,857
Liabilities and quasi equity	645,124	622,473	307,195	312,821	952,319	935,294

The segmental income and expenses of the Group were as follows:

	<i>Middle East</i>		<i>Other Asian Countries</i>		<i>Total</i>	
	<i>Six months ended</i>		<i>Six months ended</i>		<i>Six months ended</i>	
	30 June	<i>30 June</i>	30 June	<i>30 June</i>	30 June	<i>30 June</i>
	2024	2023	2024	2023	2024	2023
	BHD '000	<i>BHD '000</i>	BHD '000	<i>BHD '000</i>	BHD '000	<i>BHD '000</i>
Total operating income	2,968	5,382	10,790	9,899	13,758	15,281
Total operating expenses	(7,835)	(7,959)	(6,215)	(5,217)	(14,050)	(13,176)
Allowances for impairment - net	(782)	(1,165)	264	(1,269)	(518)	(2,434)
Taxation	-	-	(2,361)	(1,126)	(2,361)	(1,126)
Net (loss) / income for the period	(5,649)	(3,743)	2,478	2,288	(3,171)	(1,455)

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended 30 June 2024 (Reviewed)

16 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties comprise major shareholders, directors of the Bank, entities owned or controlled, jointly controlled or significantly influenced by them, companies affiliated by virtue of shareholding in common with that of the Group, Shari'a supervisory board and external auditors.

The significant balances with related parties were as follows:

	<i>Ultimate Parent and other shareholders</i>		<i>Other related parties</i>		<i>Total</i>	
	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>	<i>31 December</i>
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>BHD '000</i>	<i>BHD '000</i>	<i>BHD '000</i>	<i>BHD '000</i>	<i>BHD '000</i>	<i>BHD '000</i>
Assets:						
Cash and balances with banks and financial institutions	20	2	17	17	37	19
Receivables	-	-	549	497	549	497
Musharakat	-	-	547	574	547	574
Investments	9,864	10,086	9,342	9,555	19,206	19,641
Other assets	3,333	2,896	-	-	3,333	2,896
	13,217	12,984	10,455	10,643	23,672	23,627
Liabilities:						
Current accounts	1,339	1,234	513	804	1,852	2,038
Other liabilities	910	1,857	234	227	1,144	2,084
Total liabilities	2,249	3,091	747	1,031	2,996	4,122
Participatory investment accounts	20,729	25,516	24,601	20,664	45,330	46,180
OFF-BALANCE SHEET ITEMS:						
Assets Under Management	40,079	8,292	44,403	46,175	84,482	54,467
Contingencies and commitments	754	754	-	9	754	763

The transactions with the related parties included in the interim condensed consolidated statement of income are as follows:

	<i>Ultimate Parent and other shareholders</i>		<i>Other related parties</i>		<i>Total</i>	
	<i>Six months ended</i>		<i>Six months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>	<i>2023</i>	<i>30 June</i>	<i>2023</i>	<i>30 June</i>	<i>2023</i>
	<i>BHD '000</i>	<i>BHD '000</i>	<i>BHD '000</i>	<i>BHD '000</i>	<i>BHD '000</i>	<i>BHD '000</i>
Income						
Income from financings contracts	-	-	10	16	10	16
Income from investments	462	407	334	300	796	707
Group's Mudarib / Agency fee from off-balance sheet equity of investment accountholders	5	6	18	28	23	34
Other income	520	423	-	1	520	424
	987	836	362	345	1,349	1,181
Expenses						
Net income attributable to quasi-equity	588	96	494	208	1,082	304
Other expenses	-	-	610	638	610	638
	588	96	1,104	846	1,692	942

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended 30 June 2024 (Reviewed)

16 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Compensation of key management personnel is as follows:

	<i>Six months ended 30 June</i>	
	2024	2023
	BHD '000	BHD '000
Salaries	1,033	958
Other benefits	447	421
	1,480	1,379

17 SUBSEQUENT EVENTS

There have been no events subsequent to the interim condensed consolidated statement of financial position date that would significantly affect the amounts reported in the interim condensed consolidated financial statements as at and for the six month period ended 30 June 2024.

18 COMPARATIVE INFORMATION

In the Group's interim condensed consolidated financial statements for the period ended 30 June 2024, certain comparative amounts have been reclassified to conform with the presentation in the current period due to adoption of FAS 1 (Revised 2021) - General Presentation and Disclosures in the Financial Statements (please refer to "New standards, interpretations and amendments adopted by the Group" section of note 2.5.1 to these interim condensed consolidated financial statements for description of changes in the presentation). Such reclassification did not affect previously reported net income or total equity.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2024

19 NSFR REQUIREMENTS AND CALCULATION METHODOLOGY

The Net Stable Funding Ratio ('NSFR') is calculated in accordance with the Liquidity Risk Management Module guidelines, issued by the CBB and is effective from December 2019. The minimum NSFR ratio as per CBB is 100%. The Group's consolidated NSFR ratio as of 30 June 2024 is 198.36%.

The NSFR (as a percentage) must be calculated as follows:

Item	Unweighted Values (i.e. before applying relevant factors)				Total weighted value BHD '000
	No specified maturity BHD '000	Less than 6 months BHD '000	More than 6 months and less than one year BHD '000	Over one year BHD '000	
Available Stable Funding (ASF):					
Capital:	74,156	-	-	4,192	78,348
Regulatory Capital	74,156	-	-	-	74,156
Other Capital Instruments	-	-	-	4,192	4,192
Retail deposits and deposits from small business customers:					
Stable deposits	-	346,678	37,589	36,618	382,741
Less stable deposits	-	4,766	20	-	4,590
	-	341,912	37,569	36,618	378,151
Wholesale funding:					
Operational deposits	-	419,600	53,357	3,884	157,469
Other wholesale funding	-	-	-	2,730	2,730
	-	419,600	53,357	1,154	154,739
Other liabilities:					
NSFR Shari'a-compliant hedging contract liabilities	-	-	-	38,291	38,291
All other liabilities not included in the above categories	-	-	-	-	-
	-	-	-	38,291	38,291
Total ASF	74,156	766,278	90,946	82,985	656,849
Required Stable Funding (RSF):					
Total NSFR high-quality liquid assets (HQLA)	308,248	-	3,750	63,632	79,924
Deposits held at other financial institutions for operational purposes	-	-	-	-	-
Performing financing and sukuk/securities:					
Performing financing to financial institutions secured by Level 1 HQLA	-	-	-	-	-
Performing financing to financial institutions secured by non-level 1 HQLA and unsecured performing financing to financial institutions	-	48,791	-	31,383	38,701

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2024

19 NSFR REQUIREMENTS AND CALCULATION METHODOLOGY (continued)

Item	Unweighted Values (i.e. before applying relevant factors)				Total weighted value
	No specified maturity	Less than 6 months	More than 6 months and less than one year	Over one year	
Performing financing to non-financial corporate clients, financing to retail and small business customers, and financing to sovereigns, central banks and PSEs, of which:	-	63,866	45,089	-	54,477
With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines	-	-	-	-	-
Performing residential mortgages, of which:					
With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines	-	-	-	115,800	75,270
Securities/sukuk that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	3,750	1,131	961
Other assets:					
Physical traded commodities, including gold	-	-	-	-	-
Assets posted as initial margin for Shari'a-compliant hedging contracts and contributions to default funds of CCPs	-	-	-	-	-
NSFR Shari'a-compliant hedging assets	-	-	-	-	-
NSFR Shari'a-compliant hedging contract liabilities before deduction of variation margin posted	-	-	-	-	-
All other assets not included in the above categories	78,438	-	-	-	78,438
OBS items	67,471	-	-	-	3,374
Total RSF	454,157	112,657	52,589	211,946	331,145
NSFR (%)					198.36%