

Interim Consolidated Statement of Financial Position

31 March 2017 (Reviewed)

All figures in US\$ million

	Reviewed 31 March 2017	Audited 31 December 2016
ASSETS		
Liquid funds	2,030	1,831
Trading securities	944	711
Placements with banks and other financial institutions	3,777	4,130
Securities bought under repurchase agreements	1,738	1,556
Non-trading securities	5,414	5,635
Loans and advances	14,760	14,683
Interest receivable	416	430
Other assets	1,225	1,053
Premises and equipment	109	112
TOTAL ASSETS	30,413	30,141
LIABILITIES		
Deposits from customers	15,369	14,270
Deposits from banks	4,743	5,870
Certificates of deposit	37	37
Securities sold under repurchase agreements	192	169
Interest payable	377	369
Taxation	91	94
Other liabilities	1,248	803
TERM NOTES, BONDS AND OTHER TERM FINANCING	4,055	4,269
Total liabilities	26,112	25,881
EQUITY		
Share capital	3,110	3,110
Statutory reserve	462	462
Retained earnings	815	859
Other reserves	(554)	(605)
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	3,833	3,826
Non-controlling interests	468	434
Total equity	4,301	4,260
TOTAL LIABILITIES AND EQUITY	30,413	30,141

Interim Condensed Consolidated Statement of Cash Flows

Three-month period ended 31 March 2017 (Reviewed)

All figures in US\$ million

	Three months ended 31 March	
	2017	2016
OPERATING ACTIVITIES		
Net cash from operating activities	298	884
INVESTING ACTIVITIES		
Net cash from (used in) investing activities	253	(958)
FINANCING ACTIVITIES		
Net cash used in financing activities	(194)	(5)
Net change in cash and cash equivalents	357	(79)
Effect of exchange rate changes on cash and cash equivalents	(47)	(9)
Cash and cash equivalents at beginning of the period	1,530	791
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	1,840	703

Interim Consolidated Statement of Profit or Loss

Three-month period ended 31 March 2017 (Reviewed)

All figures in US\$ million

	Three months ended 31 March	
	2017	2016
OPERATING INCOME		
Interest and similar income	384	294
Interest and similar expense	(250)	(174)
Net interest income	134	120
Other operating income	95	89
Total operating income	229	209
Impairment provisions - net	(29)	(18)
NET OPERATING INCOME AFTER PROVISIONS	200	191
OPERATING EXPENSES		
Staff	78	71
Premises and equipment	9	8
Other	25	25
Total operating expenses	112	104
PROFIT BEFORE TAXATION	88	87
Taxation on foreign operations	(23)	(35)
PROFIT FOR THE PERIOD	65	52
Profit attributable to non-controlling interests	(15)	(11)
PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	50	41
BASIC AND DILUTED EARNINGS PER SHARE (EXPRESSED IN US\$)	0.02	0.01

Interim Consolidated Statement of Comprehensive Income

Three-month period ended 31 March 2017 (Reviewed)

All figures in US\$ million

	Three months ended 31 March	
	2017	2016
PROFIT FOR THE PERIOD	65	52
Other comprehensive income:		
Other comprehensive income that could be reclassified (or recycled) to profit or loss in subsequent periods:		
Net fair value movements during the period after impairment effect	31	(21)
Unrealised gain on exchange translation of foreign subsidiaries	31	7
	62	(14)
Other comprehensive income that cannot be reclassified (or recycled) to profit or loss in subsequent periods:		
Net change in pension fund reserve	-	-
	-	-
Total other comprehensive income (loss) for the period	62	(14)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	127	38
Total comprehensive income attributable to non-controlling interests	(26)	(37)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	101	1

Interim Consolidated Statement of Changes in Equity

Three-month period ended 31 March 2017 (Reviewed)

All figures in US\$ million

	Equity attributable to shareholders of the parent								Non-controlling interests	Total equity
	Share capital	Statutory reserve	Retained earnings*	Other reserves				Total		
				General reserve	Foreign exchange translation adjustments	Cumulative changes in fair value	Pension fund reserve			
At 31 December 2016	3,110	462	859	100	(625)	(45)	(35)	3,826	434	4,260
Profit for the period	-	-	50	-	-	-	-	50	15	65
Other comprehensive income for the period	-	-	-	-	20	31	-	51	11	62
Total comprehensive income for the period	-	-	50	-	20	31	-	101	26	127
Dividend**	-	-	(93)	-	-	-	-	(93)	-	(93)
Other equity movements in subsidiaries	-	-	(1)	-	-	-	-	(1)	8	7
At 31 March 2017 (reviewed)	3,110	462	815	100	(605)	(14)	(35)	3,833	468	4,301
At 31 December 2015	3,110	444	693	100	(507)	(44)	(23)	3,773	335	4,108
Profit for the period	-	-	41	-	-	-	-	41	11	52
Other comprehensive (loss) income for the period	-	-	-	-	(19)	(21)	-	(40)	26	(14)
Total comprehensive income (loss) for the period	-	-	41	-	(19)	(21)	-	1	37	38
Other equity movements in subsidiaries	-	-	1	-	-	-	-	1	4	5
At 31 March 2016 (reviewed)	3,110	444	735	100	(526)	(65)	(23)	3,775	376	4,151

* Retained earnings include non-distributable reserves arising from consolidation of subsidiaries amounting to US\$ 421 million (31 December 2016: US\$ 419 million).

** A dividend of US\$ 0.03 per share (2016: US\$ nil per share) has been approved for payment at the Annual General Meeting held on 26 March 2017.

The above interim consolidated statement of financial position, interim consolidated statement of profit or loss, interim consolidated statement of comprehensive income, interim condensed consolidated statement of cash flows and interim consolidated statement of changes in equity have been extracted from the Interim Condensed Consolidated Financial Statements of Arab Banking Corporation (B.S.C.) for the period ended 31st March 2017, which were approved by the Board of Directors and on which an unqualified review conclusion was issued by Ernst & Young, Kingdom of Bahrain, on 14 May 2017.