

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2023

All figures in US\$ Million

	2023	2022
ASSETS		
Liquid funds	4,466	2,886
Trading securities	1,070	590
Placements with banks and other financial institutions	2,231	2,226
Securities bought under repurchase agreements	2,191	1,386
Non-trading investments	11,368	8,080
Loans and advances	19,096	18,190
Other assets	3,210	3,016
Premises and equipment	260	265
TOTAL ASSETS	43,892	36,639
LIABILITIES		
Deposits from customers	23,705	21,396
Deposits from banks	4,135	3,764
Certificates of deposit	142	435
Securities sold under repurchase agreements	6,933	2,878
Taxation	146	84
Other liabilities	2,724	2,264
Borrowings	1,303	1,297
Total liabilities	39,088	32,118
EQUITY		
Share capital	3,110	3,110
Treasury shares	(6)	(6)
Statutory reserve	569	545
Retained earnings	1,283	1,125
Other reserves	(1,046)	(1,069)
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	3,910	3,705
Additional / perpetual tier-1 capital	390	390
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT AND PERPETUAL INSTRUMENT HOLDERS	4,300	4,095
Non-controlling interests	504	426
Total equity	4,804	4,521
TOTAL LIABILITIES AND EQUITY	43,892	36,639

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2023

All figures in US\$ Million

	2023	2022
OPERATING ACTIVITIES		
Net cash from operating activities*	5,380	935
INVESTING ACTIVITIES		
Net cash used in investing activities	3,368	(423)
FINANCING ACTIVITIES		
Net cash used in financing activities	(389)	(169)
Net change in cash and cash equivalents	1,623	343
Effect of exchange rate changes on cash and cash equivalents	(5)	(81)
Cash and cash equivalents at beginning of the year	2,848	2,586
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	4,466	2,848

*This excludes non-cash item amounting to US\$ 390 million, which was converted from deposits from customers to additional / perpetual tier-1 capital instruments during the year ended 31 December 2022.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2023

All figures in US\$ Million

	2023	2022
OPERATING INCOME		
Interest and similar income	3,052	2,039
Interest and similar expense	(2,117)	(1,253)
Net interest income	935	786
Other operating income	344	315
Total operating income	1,279	1,101
OPERATING EXPENSES		
Staff	462	426
Premises and equipment	56	54
Other	246	210
Total operating expenses	764	690
NET OPERATING PROFIT BEFORE CREDIT LOSS EXPENSE AND TAXATION	515	411
Credit loss expense	(145)	(119)
PROFIT BEFORE TAXATION	370	292
Taxation on foreign operations	(74)	(83)
PROFIT FOR THE YEAR	296	209
Profit attributable to non-controlling interests	(61)	(55)
PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	235	154
BASIC AND DILUTED EARNINGS PER SHARE (EXPRESSED IN US\$)	0.07	0.05

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2023

All figures in US\$ Million

	2023	2022
PROFIT FOR THE YEAR	296	209
Other comprehensive income (loss):		
<i>Other comprehensive income (loss) that will be reclassified (or recycled) to profit or loss in subsequent periods:</i>		
Foreign currency translation:		
Unrealised gain (loss) on exchange translation in foreign subsidiaries	18	(139)
Debt instruments at FVOCI:		
Net change in fair value during the year	31	(85)
	49	(224)
<i>Other comprehensive income (loss) that will not be reclassified (or recycled) to profit or loss in subsequent periods:</i>		
Net change in fair value of FVOCI equity securities during the year	4	(2)
Net change in pension fund reserve	-	(1)
	4	(3)
Other comprehensive income (loss) for the year	53	(227)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	349	(18)
Attributable to:		
Shareholders of the parent	258	(98)
Non-controlling interests	91	80
	349	(18)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

All figures in US\$ Million

	Equity attributable to the shareholders of the parent									Additional / perpetual tier - 1 capital	Non-controlling interests	Total equity
					Other reserves				Total			
	Share capital	Treasury shares	Statutory reserve	Retained earnings*	General reserve	Foreign exchange translation adjustments	Cumulative changes in fair value	Pension fund reserve				
At 31 December 2021	3,110	(6)	530	1,055	100	(950)	63	(30)	3,872	-	363	4,235
Profit for the year	-	-	-	154	-	-	-	-	154	-	55	209
Other comprehensive (loss) income for the year	-	-	-	-	-	(164)	(85)	(3)	(252)	-	25	(227)
Total comprehensive income (loss) for the year	-	-	-	154	-	(164)	(85)	(3)	(98)	-	80	(18)
Transfers during the year	-	-	15	(15)	-	-	-	-	-	-	-	-
Dividend	-	-	-	(31)	-	-	-	-	(31)	-	(23)	(54)
Issue of additional / perpetual tier-1 capital	-	-	-	-	-	-	-	-	-	390	-	390
Interest paid on additional / perpetual tier-1 capital	-	-	-	(9)	-	-	-	-	(9)	-	-	(9)
Increase in ownership of a subsidiary	-	-	-	(19)	-	-	-	-	(19)	-	6	(13)
Other equity movements in subsidiaries	-	-	-	(10)	-	-	-	-	(10)	-	-	(10)
At 31 December 2022	3,110	(6)	545	1,125	100	(1,114)	(22)	(33)	3,705	390	426	4,521
Profit for the year	-	-	-	235	-	-	-	-	235	-	61	296
Other comprehensive (loss) income for the year	-	-	-	-	-	(12)	35	-	23	-	30	53
Total comprehensive income (loss) for the year	-	-	-	235	-	(12)	35	-	258	-	91	349
Transfers during the year	-	-	24	(24)	-	-	-	-	-	-	-	-
Dividend	-	-	-	(46)	-	-	-	-	(46)	-	(28)	(74)
Interest paid on additional / perpetual tier-1 capital	-	-	-	(18)	-	-	-	-	(18)	-	-	(18)
Decrease in ownership of a subsidiary	-	-	-	1	-	-	-	-	1	-	(1)	-
Other equity movements in subsidiaries	-	-	-	10	-	-	-	-	10	-	16	26
At 31 December 2023	3,110	(6)	569	1,283	100	(1,126)	13	(33)	3,910	390	504	4,804

* Retained earnings include non-distributable reserves arising from consolidation of subsidiaries amounting to US\$ 555 million (2022: US\$ 517 million).

The above consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, condensed consolidated statement of cash flows, and the consolidated statement of changes in equity have been extracted from the Consolidated Financial Statements of Arab Banking Corporation (B.S.C) for the year ended 31st December 2023, which were approved by the Board of Directors and on which an unqualified audit opinion was issued by Ernst & Young, Kingdom of Bahrain, on 11th February 2024.