

Interim Consolidated Statement of Financial Position

30 September 2016 (Reviewed)

All figures in US\$ million

	Reviewed 30 September 2016	Audited 31 December 2015
ASSETS		
Liquid funds	1,187	1,002
Trading securities	688	534
Placements with banks and other financial institutions	4,730	4,313
Securities bought under repurchase agreements	1,715	1,447
Non-trading securities	6,116	5,535
Loans and advances	14,819	13,958
Interest receivable	428	355
Other assets	1,070	929
Premises and equipment	115	122
TOTAL ASSETS	30,868	28,195
LIABILITIES		
Deposits from customers	13,488	13,384
Deposits from banks and other financial institutions	7,304	5,029
Certificates of deposit	37	41
Securities sold under repurchase agreements	203	579
Interest payable	341	260
Taxation	112	70
Other liabilities	711	781
TERM NOTES, BONDS AND OTHER TERM FINANCING	4,337	3,943
Total liabilities	26,533	24,087
EQUITY		
Share capital	3,110	3,110
Reserves	796	663
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	3,906	3,773
Non-controlling interests	429	335
Total equity	4,335	4,108
TOTAL LIABILITIES AND EQUITY	30,868	28,195

Interim Condensed Consolidated Statement of Cash Flows

Nine-month period ended 30 September 2016 (Reviewed)

All figures in US\$ million

	Nine months ended 30 September	
	2016	2015
OPERATING ACTIVITIES		
Net cash from operating activities	630	1,511
INVESTING ACTIVITIES		
Net cash used in investing activities	(725)	(1,140)
FINANCING ACTIVITIES		
Net cash from (used in) financing activities	361	(116)
Net change in cash and cash equivalents	266	255
Effect of exchange rate changes on cash and cash equivalents	(37)	(56)
Cash and cash equivalents at beginning of the period	791	759
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	1,020	958

Interim Consolidated Statement of Profit or Loss

Nine-month period ended 30 September 2016 (Reviewed)

All figures in US\$ million

	Three months ended 30 September		Nine months ended 30 September	
	2016	2015	2016	2015
OPERATING INCOME				
Interest and similar income	373	421	997	1,088
Interest and similar expense	(230)	(294)	(600)	(708)
Net interest income	143	127	397	380
Other operating income	73	15	261	134
Total operating income	216	142	658	514
Impairment provisions - net	(24)	(18)	(60)	(40)
NET OPERATING INCOME AFTER PROVISIONS	192	124	598	474
OPERATING EXPENSES				
Staff	75	67	221	211
Premises and equipment	9	9	26	25
Other	29	23	78	76
Total operating expenses	113	99	325	312
PROFIT BEFORE TAXATION	79	25	273	162
Taxation on foreign operations	(16)	38	(87)	26
PROFIT FOR THE PERIOD	63	63	186	188
Profit attributable to non-controlling interests	(14)	(15)	(36)	(44)
PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	49	48	150	144
BASIC AND DILUTED EARNINGS PER SHARE (EXPRESSED IN US\$)	0.02	0.02	0.05	0.05

Interim Consolidated Statement of Comprehensive Income

Nine-month period ended 30 September 2016 (Reviewed)

All figures in US\$ million

	Three months ended 30 September		Nine months ended 30 September	
	2016	2015	2016	2015
PROFIT FOR THE PERIOD	63	63	186	188
Other comprehensive income:				
<i>Other comprehensive income that could be reclassified (or recycled) to profit or loss in subsequent periods:</i>				
Net fair value movements during the period after impairment effect	24	(47)	10	(45)
Amortisation of fair value shortfall on reclassified securities	-	1	1	3
Unrealised (loss) gain on exchange translation of foreign subsidiaries	(1)	(194)	31	(354)
	23	(240)	42	(396)
<i>Other comprehensive income that cannot be reclassified (or recycled) to profit or loss in subsequent periods:</i>				
Net change in pension fund reserve	-	(1)	-	(2)
	-	(1)	-	(2)
Total other comprehensive income (loss) for the period	23	(241)	42	(398)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	86	(178)	228	(210)
Total comprehensive (income) loss attributable to non-controlling interests	(14)	56	(96)	81
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	72	(122)	132	(129)

Interim Consolidated Statement of Changes in Equity

Nine-month period ended 30 September 2016 (Reviewed)

All figures in US\$ million

	Attributable to shareholders of the parent							Non-controlling interests	Total equity	
	Share capital	Statutory reserve	General reserve	Retained earnings*	Foreign exchange translation adjustments	Cumulative changes in fair value	Pension fund reserve			Total
At 31 December 2015	3,110	444	100	693	(507)	(44)	(23)	3,773	335	4,108
Profit for the period	-	-	-	150	-	-	-	150	36	186
Other comprehensive (loss) income for the period	-	-	-	-	(29)	11	-	(18)	60	42
Total comprehensive income (loss) for the period	-	-	-	150	(29)	11	-	132	96	228
Other equity movements in subsidiaries	-	-	-	1	-	-	-	1	(2)	(1)
At 30 September 2016 (reviewed)	3,110	444	100	844	(536)	(33)	(23)	3,906	429	4,335
At 31 December 2014	3,110	426	100	684	(284)	(7)	(23)	4,006	420	4,426
Profit for the period	-	-	-	144	-	-	-	144	44	188
Other comprehensive loss for the period	-	-	-	-	(229)	(42)	(2)	(273)	(125)	(398)
Total comprehensive income (loss) for the period	-	-	-	144	(229)	(42)	(2)	(129)	(81)	(210)
Dividend paid	-	-	-	(156)	-	-	-	(156)	-	(156)
Other equity movements in subsidiaries	-	-	-	3	-	-	-	3	(16)	(13)
At 30 September 2015 (reviewed)	3,110	426	100	675	(513)	(49)	(25)	3,724	323	4,047

* Retained earnings include non-distributable reserves arising from consolidation of subsidiaries amounting to US\$ 419 million (31 December 2015: US\$ 414 million).

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 30th September 2016, which were approved by the Board of Directors and on which an unqualified review conclusion was issued by Ernst & Young, Kingdom of Bahrain, on 13th November 2016.