

### Interim Consolidated Statement Of Financial Position

31 March 2018 (Reviewed) All figures in US\$ million

	Reviewed 31 March 2018	Audited 31 December 2017
<b>ASSETS</b>		
Liquid funds	1,123	1,388
Trading securities	1,472	1,051
Placements with banks and other financial institutions	2,723	3,170
Securities bought under repurchase agreements	1,253	1,521
Non-trading investments	5,238	5,599
Loans and advances	15,351	15,329
Interest receivable	491	445
Other assets	1,081	873
Premises and equipment	126	123
<b>TOTAL ASSETS</b>	<b>28,858</b>	<b>29,499</b>
<b>LIABILITIES</b>		
Deposits from customers	16,937	16,755
Deposits from banks	3,007	3,408
Certificates of deposit	38	27
Securities sold under repurchase agreements	1,076	1,628
Interest payable	427	427
Taxation	57	58
Other liabilities	844	636
TERM NOTES, BONDS AND OTHER TERM FINANCING	2,122	2,148
<b>Total liabilities</b>	<b>24,508</b>	<b>25,087</b>
<b>EQUITY</b>		
Share capital	3,110	3,110
Statutory reserve	481	481
Retained earnings	835	939
Other reserves	(569)	(600)
<b>EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT</b>	<b>3,857</b>	<b>3,930</b>
Non-controlling interests	493	482
<b>Total equity</b>	<b>4,350</b>	<b>4,412</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>28,858</b>	<b>29,499</b>

### Interim Condensed Consolidated Statement Of Cash Flows

Three-month period ended 31 March 2018 (Reviewed) All figures in US\$ million

	Three months ended 31 March	
	2018	2017
<b>OPERATING ACTIVITIES</b>		
Net cash (used in) from operating activities	(632)	298
<b>INVESTING ACTIVITIES</b>		
Net cash from investing activities	357	253
<b>FINANCING ACTIVITIES</b>		
Net cash used in financing activities	(21)	(194)
Net change in cash and cash equivalents	(296)	357
Effect of exchange rate changes on cash and cash equivalents	1	(47)
Cash and cash equivalents at beginning of the period	1,160	1,530
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>865</b>	<b>1,840</b>

### Interim Consolidated Statement Of Profit Or Loss

Three-month period ended 31 March 2018 (Reviewed) All figures in US\$ million

	Three months ended 31 March	
	2018	2017
<b>OPERATING INCOME</b>		
Interest and similar income	359	384
Interest and similar expense	(221)	(250)
<b>Net interest income</b>	<b>138</b>	<b>134</b>
Other operating income	73	95
<b>Total operating income</b>	<b>211</b>	<b>229</b>
Credit loss expense on financial assets	(12)	(29)
<b>NET OPERATING INCOME AFTER PROVISIONS</b>	<b>199</b>	<b>200</b>
<b>OPERATING EXPENSES</b>		
Staff	82	78
Premises and equipment	9	9
Other	28	25
<b>Total operating expenses</b>	<b>119</b>	<b>112</b>
<b>PROFIT BEFORE TAXATION</b>	<b>80</b>	<b>88</b>
Taxation on foreign operations	(14)	(23)
<b>PROFIT FOR THE PERIOD</b>	<b>66</b>	<b>65</b>
Profit attributable to non-controlling interests	(13)	(15)
<b>PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT</b>	<b>53</b>	<b>50</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE (EXPRESSED IN US\$)</b>	<b>0.02</b>	<b>0.02</b>

### Interim Consolidated Statement of Comprehensive Income

Three-month period ended 31 March 2018 (Reviewed) All figures in US\$ million

	Three months ended 31 March	
	2018	2017
<b>PROFIT FOR THE PERIOD</b>	<b>66</b>	<b>65</b>
<b>Other comprehensive income:</b>		
<i>Other comprehensive income that will be reclassified (or recycled) to profit or loss in subsequent periods:</i>		
<b>Foreign currency translation:</b>		
Unrealised gain on exchange translation in foreign subsidiaries	1	31
<b>Debt instruments at FVOCI:</b>		
Net change in fair value during the period	(7)	-
<b>Available-for-sale financial assets:</b>		
Net change in fair value during the period	-	31
	(6)	62
<i>Other comprehensive income that will not be reclassified (or recycled) to profit or loss in subsequent periods:</i>		
Net change in pension fund reserve	-	-
	-	-
<b>Other comprehensive (loss) income for the period</b>	<b>(6)</b>	<b>62</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>60</b>	<b>127</b>
<b>Attributable to:</b>		
Shareholders of the parent	50	101
Non-controlling interests	10	26
	60	127

### Interim Consolidated Statement of Changes in Equity

Three-month period ended 31 March 2018 (Reviewed)

All figures in US\$ million

	Equity attributable to the 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 2017	3,110	481	939	100	(638)	(29)	(33)	3,930	482	4,412
Impact of adopting IFRS 9	-	-	(62)	-	-	34	-	(28)	(8)	(36)
Restated balance as at 1 January 2018	3,110	481	877	100	(638)	5	(33)	3,902	474	4,376
Profit for the period	-	-	53	-	-	-	-	53	13	66
Other comprehensive (loss) income for the period	-	-	-	-	4	(7)	-	(3)	(3)	(6)
Total comprehensive income (loss) for the period	-	-	53	-	4	(7)	-	50	10	60
Dividend**	-	-	(93)	-	-	-	-	(93)	-	(93)
Other equity movements in subsidiaries	-	-	(2)	-	-	-	-	(2)	9	7
<b>At 31 March 2018 (reviewed)</b>	<b>3,110</b>	<b>481</b>	<b>835</b>	<b>100</b>	<b>(634)</b>	<b>(2)</b>	<b>(33)</b>	<b>3,857</b>	<b>493</b>	<b>4,350</b>
At 1 January 2017	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
<b>At 31 March 2017 (reviewed)</b>	<b>3,110</b>	<b>462</b>	<b>815</b>	<b>100</b>	<b>(605)</b>	<b>(14)</b>	<b>(35)</b>	<b>3,833</b>	<b>468</b>	<b>4,301</b>

\* Retained earnings include non-distributable reserves arising from consolidation of subsidiaries amounting to US\$ 426 million (31 December 2017: US\$ 424 million).

\*\* A dividend of US\$ 0.03 per share (2017: US\$ 0.03 per share) has been approved for payment at the Annual General Meeting held on 25<sup>th</sup> March 2018.

The above interim consolidated statement of financial position, interim consolidated statement of income, 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 31<sup>st</sup> March 2018, 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<sup>th</sup> May 2018.