

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2022

All figures in US\$ Million

	2022	(Restated) 2021
ASSETS		
Liquid funds	2,886	2,626
Trading securities	590	902
Placements with banks and other financial institutions	2,226	3,031
Securities bought under repurchase agreements	1,386	698
Non-trading investments	8,080	8,390
Loans and advances	18,190	16,716
Other assets	3,016	2,219
Premises and equipment	265	319
TOTAL ASSETS	36,639	34,901
LIABILITIES		
Deposits from customers	21,396	20,734
Deposits from banks	3,764	4,388
Certificates of deposit	435	725
Securities sold under repurchase agreements	2,878	2,011
Taxation	84	83
Other liabilities	2,264	1,514
Borrowings	1,297	1,211
Total liabilities	32,118	30,666
EQUITY		
Share capital	3,110	3,110
Treasury shares	(6)	(6)
Statutory reserve	545	530
Retained earnings	1,125	1,055
Other reserves	(1,069)	(817)
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	3,705	3,872
Additional / perpetual tier-1 capital	390	-
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT AND PERPETUAL INSTRUMENT HOLDERS	4,095	3,872
Non-controlling interests	426	363
Total equity	4,521	4,235
TOTAL LIABILITIES AND EQUITY	36,639	34,901

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2022

All figures in US\$ Million

	2022	2021
OPERATING ACTIVITIES		
Net cash from operating activities*	935	3,143
INVESTING ACTIVITIES		
Net cash used in investing activities	(423)	(1,955)
FINANCING ACTIVITIES		
Net cash used in financing activities	(169)	(361)
Net change in cash and cash equivalents	343	827
Effect of exchange rate changes on cash and cash equivalents	(81)	7
Cash and cash equivalents at beginning of the year	2,586	1,752
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	2,848	2,586

*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.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2022

All figures in US\$ Million

	2022	2021
OPERATING INCOME		
Interest and similar income	2,039	1,256
Interest and similar expense	(1,253)	(664)
Net interest income	786	592
Other operating income	315	262
Total operating income	1,101	854
OPERATING EXPENSES		
Staff	426	347
Premises and equipment	54	49
Other	210	173
Total operating expenses	690	569
NET OPERATING PROFIT BEFORE CREDIT LOSS EXPENSE AND TAXATION	411	285
Credit loss expense	(119)	(106)
PROFIT BEFORE TAXATION	292	179
Taxation on foreign operations	(83)	(51)
PROFIT FOR THE YEAR	209	128
Profit attributable to non-controlling interests	(55)	(28)
PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	154	100
BASIC AND DILUTED EARNINGS PER SHARE (EXPRESSED IN US\$)	0.05	0.03

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2022

All figures in US\$ Million

	2022	2021
PROFIT FOR THE YEAR	209	128
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 loss on exchange translation in foreign subsidiaries	(139)	(69)
Debt instruments at FVOCI:		
Net change in fair value during the year	(85)	43
	(224)	(26)
<i>Other comprehensive income (loss) that will not be reclassified (or recycled) to profit or loss in subsequent periods:</i>		
Net change in pension fund reserve	(3)	10
	(3)	10
Other comprehensive loss for the year	(227)	(16)
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	(18)	112
Attributable to:		
Shareholders of the parent	(98)	105
Non-controlling interests	80	7
	(18)	112

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

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 2020	3,110	(6)	520	965	100	(902)	20	(40)	3,767	-	377	4,144
Profit for the year	-	-	-	100	-	-	-	-	100	-	28	128
Other comprehensive (loss) income for the year	-	-	-	-	-	(48)	43	10	5	-	(21)	(16)
Total comprehensive income (loss) for the year	-	-	-	100	-	(48)	43	10	105	-	7	112
Transfers during the year	-	-	10	(10)	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	-	(14)	(14)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	2	2
Other equity movements in subsidiaries	-	-	-	-	-	-	-	-	-	-	(9)	(9)
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

* Retained earnings include non-distributable reserves arising from consolidation of subsidiaries amounting to US\$ 517 million (2021: US\$ 510 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 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 31 December 2022, which were approved by the Board of Directors and on which an unqualified audit opinion was issued by Ernst & Young, Kingdom of Bahrain, on 12 February 2023.