

Interim Consolidated Statement of Financial Position

31 March 2019 (Reviewed)

All figures in US\$ million

	Reviewed 31 March 2019	Audited 31 December 2018
ASSETS		
Liquid funds	1,370	1,607
Placements securities	975	977
Placements with banks and other financial institutions	2,597	2,991
Securities bought under repurchase agreements	2,255	1,668
Non-trading investments	5,916	5,661
Loans and advances	14,909	14,884
Other assets	1,749	1,601
Premises and equipment	169	160
TOTAL ASSETS	29,940	29,549
LIABILITIES		
Deposits from customers	17,258	16,425
Deposits from banks	3,517	4,207
Certificates of deposit	386	39
Securities sold under repurchase agreements	902	1,271
Taxation	37	43
Other liabilities	1,567	1,236
Borrowings	1,947	2,012
Total liabilities	25,614	25,233
EQUITY		
Share capital	3,110	3,110
Treasury shares	(5)	(4)
Statutory reserve	501	501
Retained earnings	927	966
Other reserves	(677)	(711)
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	3,856	3,862
Non-controlling interests	470	454
Total equity	4,326	4,316
TOTAL LIABILITIES AND EQUITY	29,940	29,549

Interim Condensed Consolidated Statement of Cash Flows

Three-month period ended 31 March 2019 (Reviewed)

All figures in US\$ million

	Three months ended 31 March	
	2019	2018
OPERATING ACTIVITIES		
Net cash used in operating activities	(359)	(632)
INVESTING ACTIVITIES		
Net cash (used in) from investing activities	(150)	357
FINANCING ACTIVITIES		
Net cash from (used in) financing activities	281	(21)
Net change in cash and cash equivalents	(228)	(296)
Effect of exchange rate changes on cash and cash equivalents	3	1
Cash and cash equivalents at beginning of the period	1,341	1,160
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	1,116	865

Interim Consolidated Statement of Profit or Loss

Three-month period ended 31 March 2019 (Reviewed)

All figures in US\$ million

	Three months ended 31 March	
	2019	2018
OPERATING INCOME		
Interest and similar income	377	359
Interest and similar expense	(238)	(221)
Net interest income	139	138
Other operating income	76	73
Total operating income	215	211
Credit loss expense on financial assets	(11)	(12)
NET OPERATING INCOME AFTER CREDIT LOSS EXPENSE	204	199
OPERATING EXPENSES		
Staff	86	82
Premises and equipment	10	9
Other	32	28
Total operating expenses	128	119
PROFIT BEFORE TAXATION	76	80
Taxation on foreign operations	(10)	(14)
PROFIT FOR THE PERIOD	66	66
Profit attributable to non-controlling interests	(11)	(13)
PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	55	53
BASIC AND DILUTED EARNINGS PER SHARE (EXPRESSED IN US\$)	0.02	0.02

Interim Consolidated Statement of Comprehensive Income

Three-month period ended 31 March 2019 (Reviewed)

All figures in US\$ million

	Three months ended 31 March	
	2019	2018
PROFIT FOR THE PERIOD	66	66
Other comprehensive income:		
<i>Other comprehensive income that will be reclassified</i>		
<i>(or recycled) to profit or loss in subsequent periods:</i>		
<u>Foreign currency translation:</u>		
Unrealised gain on exchange translation in foreign subsidiaries	2	1
<u>Debt instruments at FVOCI:</u>		
Net change in fair value during the period	29	(7)
Other comprehensive income (loss) for the period	31	(6)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	97	60
Attributable to:		
Shareholders of the parent	89	50
Non-controlling interests	8	10
	97	60

Interim Consolidated Statement of Changes in Equity

Three-month period ended 31 March 2019 (Reviewed)

All figures in US\$ million

	Equity attributable to the shareholders of the parent								Non-controlling interests	Total equity	
	Share capital	Treasury shares	Statutory reserve	Retained earnings*	General reserve	Other reserves					
						Foreign exchange translation adjustments	Cumulative changes in fair value	Pension fund reserve			
At 31 December 2018	3,110	(4)	501	966	100	(744)	(37)	(30)	3,862	454	4,316
Profit for the period	-	-	-	55	-	-	-	-	55	11	66
Other comprehensive income (loss) for the period	-	-	-	-	-	5	29	-	34	(3)	31
Total comprehensive income for the period	-	-	-	55	-	5	29	-	89	8	97
Dividend**	-	-	-	(93)	-	-	-	-	(93)	-	(93)
Purchase of treasury shares	-	(1)	-	-	-	-	-	-	(1)	-	(1)
Other equity movements in subsidiaries	-	-	-	(1)	-	-	-	-	(1)	8	7
At 31 March 2019 (reviewed)	3,110	(5)	501	927	100	(739)	(8)	(30)	3,856	470	4,326
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 income (loss) 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
At 31 March 2018 (reviewed)	3,110	-	481	835	100	(634)	(2)	(33)	3,857	493	4,350

* Retained earnings include non-distributable reserves arising from consolidation of subsidiaries amounting to US\$ 430 million (31 December 2018: US\$ 429 million).

** A dividend of US\$ 0.03 per share (2018: US\$ 0.03 per share) has been approved for payment at the Annual General Meeting held on 24 March 2019.

 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 2019, which were approved by the Board of Directors and on which an unqualified review conclusion was issued by Ernst & Young, Kingdom of Bahrain, on 7th May 2019.