

Interim Consolidated Statement of Financial Position

31 March 2016 (Reviewed)

All figures in US\$ million

	All figures in US\$ million	
	Reviewed 31 March 2016	Audited 31 December 2015
ASSETS		
Liquid funds	846	1,002
Trading securities	624	534
Placements with banks and other financial institutions	4,098	4,313
Securities bought under repurchase agreements	1,420	1,447
Non-trading securities	6,307	5,535
Loans and advances	14,094	13,958
Interest receivable	362	355
Other assets	1,342	929
Premises and equipment	118	122
TOTAL ASSETS	29,211	28,195
LIABILITIES		
Deposits from customers	13,890	13,384
Deposits from banks and other financial institutions	5,016	5,029
Certificates of deposit	40	41
Securities sold under repurchase agreements	582	579
Interest payable	306	260
Taxation	101	70
Other liabilities	1,178	781
TERM NOTES, BONDS AND OTHER TERM FINANCING	3,947	3,943
Total liabilities	25,060	24,087
EQUITY		
Share capital	3,110	3,110
Reserves	665	663
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	3,775	3,773
Non-controlling interests	376	335
Total equity	4,151	4,108
TOTAL LIABILITIES AND EQUITY	29,211	28,195

Interim Condensed Consolidated Statement of Cash Flows

Three-month period ended 31 March 2016 (Reviewed)

All figures in US\$ million

	Three months ended 31 March	
	2016	2015
OPERATING ACTIVITIES		
Net cash from operating activities	884	598
INVESTING ACTIVITIES		
Net cash used in investing activities	(958)	(326)
FINANCING ACTIVITIES		
Net cash (used in) from financing activities	(5)	44
Net change in cash and cash equivalents	(79)	316
Effect of exchange rate changes on cash and cash equivalents	(9)	(43)
Cash and cash equivalents at beginning of the period	791	759
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	703	1,032

Interim Consolidated Statement of Profit or Loss

Three-month period ended 31 March 2016 (Reviewed)

All figures in US\$ million

	Three months ended 31 March	
	2016	2015
OPERATING INCOME		
Interest and similar income	294	363
Interest and similar expense	(174)	(237)
Net interest income	120	126
Other operating income	89	42
Total operating income	209	168
Impairment provisions - net	(18)	(9)
NET OPERATING INCOME AFTER PROVISIONS	191	159
OPERATING EXPENSES		
Staff	71	72
Premises and equipment	8	8
Other	25	24
Total operating expenses	104	104
PROFIT BEFORE TAXATION	87	55
Taxation on foreign operations	(35)	12
PROFIT FOR THE PERIOD	52	67
Income attributable to non-controlling interests	(11)	(15)
PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	41	52
BASIC AND DILUTED EARNINGS PER SHARE (EXPRESSED IN US\$)	0.01	0.02

Interim Consolidated Statement of Comprehensive Income

Three-month period ended 31 March 2016 (Reviewed)

All figures in US\$ million

	Three months ended 31 March	
	2016	2015
PROFIT FOR THE PERIOD	52	67
Other comprehensive income:		
Other comprehensive income that could be reclassified (or recycled) to profit or loss in subsequent periods:		
Net fair value movements during the period after impairment effect	(21)	5
Amortisation of fair value shortfall on reclassified securities	-	1
Unrealised gain (loss) on exchange translation of foreign subsidiaries	7	(181)
	(14)	(175)
Other comprehensive income that cannot be reclassified (or recycled) to profit or loss in subsequent periods:		
Net change in pension fund reserve	-	(1)
	-	(1)
Total other comprehensive loss for the period	(14)	(176)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	38	(109)
Total comprehensive (income) loss attributable to non-controlling interests	(37)	48
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	1	(61)

Interim Consolidated Statement of Changes in Equity

Three-month period ended 31 March 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	-	-	-	41	-	-	-	41	11	52
Other comprehensive (loss) income for the period	-	-	-	-	(19)	(21)	-	(40)	26	(14)
Total comprehensive income (loss) for the period	-	-	-	41	(19)	(21)	-	1	37	38
Other equity movements in subsidiaries	-	-	-	1	-	-	-	1	4	5
At 31 March 2016 (reviewed)	3,110	444	100	735	(526)	(65)	(23)	3,775	376	4,151
At 31 December 2014	3,110	426	100	684	(284)	(7)	(23)	4,006	420	4,426
Profit for the period	-	-	-	52	-	-	-	52	15	67
Other comprehensive (loss) income for the period	-	-	-	-	(118)	6	(1)	(113)	(63)	(176)
Total comprehensive income (loss) for the period	-	-	-	52	(118)	6	(1)	(61)	(48)	(109)
Dividend	-	-	-	(156)	-	-	-	(156)	-	(156)
Other equity movements in subsidiaries	-	-	-	1	-	-	-	1	-	1
At 31 March 2015 (reviewed)	3,110	426	100	581	(402)	(1)	(24)	3,790	372	4,162

* Retained earnings include non-distributable reserves arising from consolidation of subsidiaries amounting to US\$ 417 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 31st March 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 27 April 2016.