

Interim Consolidated Statement of Financial Position

30 September 2019 (Reviewed)

All figures in US\$ Million

	Reviewed 30 September 2019	Audited 31 December 2018
ASSETS		
Liquid funds	1,455	1,607
Trading securities	851	977
Placements with banks and other financial institutions	2,073	2,991
Securities bought under repurchase agreements	1,445	1,668
Non-trading investments	5,914	5,661
Loans and advances	15,225	14,884
Other assets	1,941	1,601
Premises and equipment	171	160
TOTAL ASSETS	29,075	29,549
LIABILITIES		
Deposits from customers	16,072	16,425
Deposits from banks	3,711	4,207
Certificates of deposit	325	39
Securities sold under repurchase agreements	884	1,271
Taxation	45	43
Other liabilities	1,571	1,236
Borrowings	2,078	2,012
Total liabilities	24,686	25,233
EQUITY		
Share capital	3,110	3,110
Treasury shares	(5)	(4)
Statutory reserve	501	501
Retained earnings	1,035	966
Other reserves	(696)	(711)
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	3,945	3,862
Non-controlling interests	444	454
Total equity	4,389	4,316
TOTAL LIABILITIES AND EQUITY	29,075	29,549

Interim Condensed Consolidated Statement of Cash Flows

Nine-month period ended 30 September 2019 (Reviewed)

All figures in US\$ million

	Nine months ended 30 September	
	2019	2018
OPERATING ACTIVITIES		
Net cash (used in) from operating activities	(231)	194
INVESTING ACTIVITIES		
Net cash (used in) from investing activities	(122)	16
FINANCING ACTIVITIES		
Net cash from (used in) financing activities	212	(130)
Net change in cash and cash equivalents	(141)	80
Effect of exchange rate changes on cash and cash equivalents	1	(21)
Cash and cash equivalents at beginning of the period	1,341	1,160
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	1,201	1,219

Interim Consolidated Statement of Changes in Equity

Nine-month period ended 30 September 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*	Other reserves						
					General reserve	Foreign exchange translation adjustments	Cumulative changes in fair value	Pension fund reserve			Total
At 31 December 2018	3,110	(4)	501	966	100	(744)	(37)	(30)	3,862	454	4,316
Profit for the period	-	-	-	161	-	-	-	-	161	33	194
Other comprehensive (loss) income for the period	-	-	-	-	-	(33)	48	-	15	(29)	(14)
Total comprehensive income (loss) for the period	-	-	-	161	-	(33)	48	-	176	4	180
Dividend	-	-	-	(93)	-	-	-	-	(93)	-	(93)
Purchase of treasury shares	-	(1)	-	-	-	-	-	-	(1)	-	(1)
Other equity movements in subsidiaries	-	-	-	1	-	-	-	-	1	(14)	(13)
At 30 September 2019 (reviewed)	3,110	(5)	501	1,035	100	(777)	11	(30)	3,945	444	4,389
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	-	-	-	159	-	-	-	-	159	38	197
Other comprehensive loss for the period	-	-	-	-	-	(125)	(10)	-	(135)	(76)	(211)
Total comprehensive income (loss) for the period	-	-	-	159	-	(125)	(10)	-	24	(38)	(14)
Dividend	-	-	-	(93)	-	-	-	-	(93)	-	(93)
Purchase of treasury shares	-	(4)	-	-	-	-	-	-	(4)	-	(4)
Other equity movements in subsidiaries	-	-	-	-	-	-	-	-	-	2	2
At 30 September 2018 (reviewed)	3,110	(4)	481	943	100	(763)	(5)	(33)	3,829	438	4,267

* Retained earnings include non-distributable reserves arising from consolidation of subsidiaries amounting to US\$ 433 million (31 December 2018: US\$ 429 million).

Interim Consolidated Statement of Profit or Loss

Nine-month period ended 30 September 2019 (Reviewed)

All figures in US\$ million

	Three months ended 30 September		Nine months ended 30 September	
	2019	2018	2019	2018
OPERATING INCOME				
Interest and similar income	392	362	1,137	1,103
Interest and similar expense	(250)	(222)	(716)	(686)
Net interest income	142	140	421	417
Other operating income	54	63	212	175
Total operating income	196	203	633	592
Credit loss expense on financial assets	(25)	(32)	(46)	(62)
NET OPERATING INCOME AFTER CREDIT LOSS EXPENSE	171	171	587	530
OPERATING EXPENSES				
Staff	84	75	254	237
Premises and equipment	10	8	30	27
Other	33	29	100	88
Total operating expenses	127	112	384	352
PROFIT BEFORE TAXATION	44	59	203	178
Taxation credit (expense) on foreign operations	15	(1)	(9)	19
PROFIT FOR THE PERIOD	59	58	194	197
Profit attributable to non-controlling interests	(10)	(12)	(33)	(38)
PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	49	46	161	159
BASIC AND DILUTED EARNINGS PER SHARE (EXPRESSED IN US\$)	0.02	0.01	0.05	0.05

Interim Consolidated Statement of Comprehensive Income

Nine-month period ended 30 September 2019 (Reviewed)

All figures in US\$ million

	Three months ended 30 September		Nine months ended 30 September	
	2019	2018	2019	2018
PROFIT FOR THE PERIOD	59	58	194	197
Other comprehensive income:				
<i>Other comprehensive income 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	(84)	(36)	(62)	(201)
Debt instruments at FVOCI:				
Net change in fair value during the period	19	20	48	(10)
Other comprehensive loss for the period	(65)	(16)	(14)	(211)
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD	(6)	42	180	(14)
Attributable to:				
Shareholders of the parent	17	38	176	24
Non-controlling interests	(23)	4	4	(38)
	(6)	42	180	(14)

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 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 6th November 2019.