

Interim Consolidated Statement of Financial Position

30 June 2019 (Reviewed)

All figures in US\$ Million

	Reviewed	Audited
	30 June 2019	31 December 2018
ASSETS		
Liquid funds	1,342	1,607
Trading securities	957	977
Placements with banks and other financial institutions	2,399	2,991
Securities bought under repurchase agreements	1,798	1,668
Non-trading investments	6,070	5,661
Loans and advances	15,033	14,884
Other assets	1,892	1,601
Premises and equipment	169	160
TOTAL ASSETS	29,660	29,549
LIABILITIES		
Deposits from customers	16,377	16,425
Deposits from banks	3,698	4,207
Certificates of deposit	403	39
Securities sold under repurchase agreements	1,066	1,271
Taxation	44	43
Other liabilities	1,594	1,236
Borrowings	2,079	2,012
Total liabilities	25,261	25,233
EQUITY		
Share capital	3,110	3,110
Treasury shares	(5)	(4)
Statutory reserve	501	501
Retained earnings	986	966
Other reserves	(664)	(711)
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	3,928	3,862
Non-controlling interests	471	454
Total equity	4,399	4,316
TOTAL LIABILITIES AND EQUITY	29,660	29,549

Interim Condensed Consolidated Statement of Cash Flows

Six-month period ended 30 June 2019 (Reviewed)

All figures in US\$ million

	Six months ended 30 June	
	2019	2018
OPERATING ACTIVITIES		
Net cash used in operating activities	(326)	(481)
INVESTING ACTIVITIES		
Net cash (used in) from investing activities	(294)	171
FINANCING ACTIVITIES		
Net cash from (used in) financing activities	328	(117)
Net change in cash and cash equivalents	(292)	(427)
Effect of exchange rate changes on cash and cash equivalents	5	(15)
Cash and cash equivalents at beginning of the period	1,341	1,160
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	1,054	718

Interim Consolidated Statement of Profit or Loss

Six-month period ended 30 June 2019 (Reviewed)

All figures in US\$ million

	Three months ended 30 June		Six months ended 30 June	
	2019	2018	2019	2018
OPERATING INCOME				
Interest and similar income	368	382	745	741
Interest and similar expense	(228)	(243)	(466)	(464)
Net interest income	140	139	279	277
Other operating income	82	39	158	112
Total operating income	222	178	437	389
Credit loss expense on financial assets	(10)	(18)	(21)	(30)
NET OPERATING INCOME AFTER CREDIT LOSS EXPENSE	212	160	416	359
OPERATING EXPENSES				
Staff	84	80	170	162
Premises and equipment	10	10	20	19
Other	35	31	67	59
Total operating expenses	129	121	257	240
PROFIT BEFORE TAXATION	83	39	159	119
Taxation (expense) credit on foreign operations	(14)	34	(24)	20
PROFIT FOR THE PERIOD	69	73	135	139
Profit attributable to non-controlling interests	(12)	(13)	(23)	(26)
PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	57	60	112	113
BASIC AND DILUTED EARNINGS PER SHARE (EXPRESSED IN US\$)	0.02	0.02	0.04	0.04

Interim Consolidated Statement of Comprehensive Income

Six-month period ended 30 June 2019 (Reviewed)

All figures in US\$ million

	Three months ended 30 June		Six months ended 30 June	
	2019	2018	2019	2018
PROFIT FOR THE PERIOD	69	73	135	139
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 gain (loss) on exchange translation in foreign subsidiaries	20	(166)	22	(165)
Debt instruments at FVOCI:				
Net change in fair value during the period	-	(23)	29	(30)
Other comprehensive income (loss) for the period	20	(189)	51	(195)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	89	(116)	186	(56)
Attributable to:				
Shareholders of the parent	70	(64)	159	(14)
Non-controlling interests	19	(52)	27	(42)
	89	(116)	186	(56)

Interim Consolidated Statement of Changes in Equity

Six-month period ended 30 June 2019 (Reviewed)

All figures in US\$ million

	Equity attributable to the shareholders of the parent									Non-controlling interests	Total equity
					Other reserves						
	Share capital	Treasury shares	Statutory reserve	Retained earnings*	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	-	-	-	112	-	-	-	-	112	23	135
Other comprehensive income for the period	-	-	-	-	-	18	29	-	47	4	51
Total comprehensive income for the period	-	-	-	112	-	18	29	-	159	27	186
Dividend	-	-	-	(93)	-	-	-	-	(93)	-	(93)
Purchase of treasury shares	-	(1)	-	-	-	-	-	-	(1)	-	(1)
Other equity movements in subsidiaries	-	-	-	1	-	-	-	-	1	(10)	(9)
At 30 June 2019 (reviewed)	3,110	(5)	501	986	100	(726)	(8)	(30)	3,928	471	4,399
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	-	-	-	113	-	-	-	-	113	26	139
Other comprehensive loss for the period	-	-	-	-	-	(97)	(30)	-	(127)	(68)	(195)
Total comprehensive income (loss) for the period	-	-	-	113	-	(97)	(30)	-	(14)	(42)	(56)
Dividend	-	-	-	(93)	-	-	-	-	(93)	-	(93)
Purchase of treasury shares	-	(1)	-	-	-	-	-	-	(1)	-	(1)
Other equity movements in subsidiaries	-	-	-	(2)	-	-	-	-	(2)	-	(2)
At 30 June 2018 (reviewed)	3,110	(1)	481	895	100	(735)	(25)	(33)	3,792	432	4,224

* Retained earnings include non-distributable reserves arising from consolidation of subsidiaries amounting to US\$ 433 million (31 December 2018: US\$ 429 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 30th June 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 August 2019.