

Interim Consolidated Statement of Financial Position

30 June 2016 (Reviewed)

All figures in US\$ million

	Reviewed 30 June 2016	Audited 31 December 2015
ASSETS		
Liquid funds	1,598	1,002
Trading securities	457	534
Placements with banks and other financial institutions	3,726	4,313
Securities bought under repurchase agreements	1,955	1,447
Non-trading securities	6,005	5,535
Loans and advances	14,531	13,958
Interest receivable	361	355
Other assets	1,279	929
Premises and equipment	117	122
TOTAL ASSETS	30,029	28,195
LIABILITIES		
Deposits from customers	13,654	13,384
Deposits from banks and other financial institutions	5,978	5,029
Certificates of deposit	37	41
Securities sold under repurchase agreements	544	579
Interest payable	332	260
Taxation	107	70
Other liabilities	1,187	781
TERM NOTES, BONDS AND OTHER TERM FINANCING	3,945	3,943
Total liabilities	25,784	24,087
EQUITY		
Share capital	3,110	3,110
Reserves	724	663
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	3,834	3,773
Non-controlling interests	411	335
Total equity	4,245	4,108
TOTAL LIABILITIES AND EQUITY	30,029	28,195

Interim Condensed Consolidated Statement of Cash Flows

Six-month period ended 30 June 2016 (Reviewed)

All figures in US\$ million

	Six months ended 30 June	
	2016	2015
OPERATING ACTIVITIES		
Net cash from operating activities	1,143	1,449
INVESTING ACTIVITIES		
Net cash used in investing activities	(525)	(1,334)
FINANCING ACTIVITIES		
Net cash used in financing activities	(16)	(119)
Net change in cash and cash equivalents	602	(4)
Effect of exchange rate changes on cash and cash equivalents	(32)	(19)
Cash and cash equivalents at beginning of the period	791	759
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	1,361	736

Interim Consolidated Statement of Changes in Equity

Six-month period ended 30 June 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	-	-	-	101	-	-	-	101	22	123
Other comprehensive (loss) income for the period	-	-	-	-	(28)	(13)	-	(41)	60	19
Total comprehensive income (loss) for the period	-	-	-	101	(28)	(13)	-	60	82	142
Other equity movements in subsidiaries	-	-	-	1	-	-	-	1	(6)	(5)
At 30 June 2016 (reviewed)	3,110	444	100	795	(535)	(57)	(23)	3,834	411	4,245
At 31 December 2014	3,110	426	100	684	(284)	(7)	(23)	4,006	420	4,426
Profit for the period	-	-	-	96	-	-	-	96	29	125
Other comprehensive (loss) income for the period	-	-	-	-	(106)	4	(1)	(103)	(54)	(157)
Total comprehensive income (loss) for the period	-	-	-	96	(106)	4	(1)	(7)	(25)	(32)
Dividend paid	-	-	-	(156)	-	-	-	(156)	-	(156)
Other equity movements in subsidiaries	-	-	-	1	-	-	-	1	(8)	(7)
At 30 June 2015 (reviewed)	3,110	426	100	625	(390)	(3)	(24)	3,844	387	4,231

* Retained earnings include non-distributable reserves arising from consolidation of subsidiaries amounting to US\$ 420 million (31 December 2015: US\$ 414 million).

Interim Consolidated Statement of Profit or Loss

Six-month period ended 30 June 2016 (Reviewed)

All figures in US\$ million

	Three months ended 30 June		Six months ended 30 June	
	2016	2015	2016	2015
OPERATING INCOME				
Interest and similar income	330	304	624	667
Interest and similar expense	(196)	(177)	(370)	(414)
Net interest income	134	127	254	253
Other operating income	99	77	188	119
Total operating income	233	204	442	372
Impairment provisions - net	(18)	(13)	(36)	(22)
NET OPERATING INCOME AFTER PROVISIONS	215	191	406	350
OPERATING EXPENSES				
Staff	75	72	146	144
Premises and equipment	9	8	17	16
Other	24	29	49	53
Total operating expenses	108	109	212	213
PROFIT BEFORE TAXATION	107	82	194	137
Taxation on foreign operations	(36)	(24)	(71)	(12)
PROFIT FOR THE PERIOD	71	58	123	125
Income attributable to non-controlling interests	(11)	(14)	(22)	(29)
PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	60	44	101	96
BASIC AND DILUTED EARNINGS PER SHARE (EXPRESSED IN US\$)	0.02	0.01	0.03	0.03

Interim Consolidated Statement of Comprehensive Income

Six-month period ended 30 June 2016 (Reviewed)

All figures in US\$ million

	Three months ended 30 June		Six months ended 30 June	
	2016	2015	2016	2015
PROFIT FOR THE PERIOD	71	58	123	125
Other comprehensive income:				
<i>Other comprehensive income that could be reclassified (or recycled) to profit or loss in subsequent periods:</i>				
Net fair value movements during the period after impairment effect	7	(3)	(14)	2
Amortisation of fair value shortfall on reclassified securities	1	1	1	2
Unrealised gain (loss) on exchange translation of foreign subsidiaries	25	21	32	(160)
	33	19	19	(156)
<i>Other comprehensive income that cannot be reclassified (or recycled) to profit or loss in subsequent periods:</i>				
Net change in pension fund reserve	-	-	-	(1)
	-	-	-	(1)
Total other comprehensive income (loss) for the period	33	19	19	(157)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	104	77	142	(32)
Total comprehensive (income) loss attributable to non-controlling interests	(45)	(23)	(82)	25
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	59	54	60	(7)

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 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 25th July 2016.