

### Interim Consolidated Statement of Financial Position

30 June 2015 (Reviewed)

All figures in US\$ million

	Reviewed 30 June 2015	Audited 31 Dec 2014
<b>ASSETS</b>		
Liquid funds	877	909
Trading securities	788	539
Placements with banks and other financial institutions	3,288	5,870
Securities bought under repurchase agreements	1,592	987
Non-trading securities	5,907	4,627
Loans and advances	14,343	14,819
Interest receivable	435	387
Other assets	680	1,090
Premises and equipment	127	128
<b>TOTAL ASSETS</b>	<b>28,037</b>	<b>29,356</b>
<b>LIABILITIES</b>		
Deposits from customers	13,460	13,945
Deposits from banks and other financial institutions	5,232	5,668
Certificates of deposit	36	47
Securities sold under repurchase agreements	109	87
Interest payable	302	319
Taxation	45	51
Other liabilities	667	922
TERM NOTES, BONDS AND OTHER TERM FINANCING	3,955	3,891
<b>Total liabilities</b>	<b>23,806</b>	<b>24,930</b>
<b>EQUITY</b>		
Share capital	3,110	3,110
Reserves	734	896
<b>EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT</b>	<b>3,844</b>	<b>4,006</b>
Non-controlling interests	387	420
<b>Total equity</b>	<b>4,231</b>	<b>4,426</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>28,037</b>	<b>29,356</b>

### Interim Condensed Consolidated Statement of Cash Flows

Six-month period ended 30 June 2015 (Reviewed)

All figures in US\$ million

	Six months ended 30 June	
	2015	2014
<b>OPERATING ACTIVITIES</b>		
Net cash from (used in) operating activities	1,449	(474)
<b>INVESTING ACTIVITIES</b>		
Net cash (used in) from investing activities	(1,334)	357
<b>FINANCING ACTIVITIES</b>		
Net cash used in financing activities	(119)	(157)
Net change in cash and cash equivalents	(4)	(274)
Effect of exchange rate changes on liquid funds	(19)	4
Cash and cash equivalents at beginning of the period	759	866
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>736</b>	<b>596</b>

### Interim Consolidated Statement of Income

Six-month period ended 30 June 2015 (Reviewed)

All figures in US\$ million

	Three months ended 30 June		Six months ended 30 June	
	2015	2014	2015	2014
<b>OPERATING INCOME</b>				
Interest and similar income	304	292	667	564
Interest and similar expense	(177)	(154)	(414)	(294)
<b>Net interest income</b>	<b>127</b>	<b>138</b>	<b>253</b>	<b>270</b>
Other operating income	77	104	119	198
<b>Total operating income</b>	<b>204</b>	<b>242</b>	<b>372</b>	<b>468</b>
Impairment provisions - net	(13)	(19)	(22)	(27)
<b>NET OPERATING INCOME AFTER PROVISIONS</b>	<b>191</b>	<b>223</b>	<b>350</b>	<b>441</b>
<b>OPERATING EXPENSES</b>				
Staff	72	80	144	153
Premises and equipment	8	9	16	18
Other	29	24	53	45
<b>Total operating expenses</b>	<b>109</b>	<b>113</b>	<b>213</b>	<b>216</b>
<b>PROFIT BEFORE TAXATION</b>	<b>82</b>	<b>110</b>	<b>137</b>	<b>225</b>
Taxation on foreign operations	(24)	(28)	(12)	(57)
<b>PROFIT FOR THE PERIOD</b>	<b>58</b>	<b>82</b>	<b>125</b>	<b>168</b>
Income attributable to non-controlling interests	(14)	(16)	(29)	(31)
<b>PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT</b>	<b>44</b>	<b>66</b>	<b>96</b>	<b>137</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE (EXPRESSED IN US\$)</b>	<b>0.01</b>	<b>0.02</b>	<b>0.03</b>	<b>0.04</b>

### Interim Consolidated Statement of Comprehensive Income

Six-month period ended 30 June 2015 (Reviewed)

All figures in US\$ million

	Three months ended 30 June		Six months ended 30 June	
	2015	2014	2015	2014
<b>PROFIT FOR THE PERIOD</b>	<b>58</b>	<b>82</b>	<b>125</b>	<b>168</b>
<b>Other comprehensive income:</b>				
<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	(3)	-	2	17
Amortisation of fair value shortfall on reclassified securities	1	3	2	5
Unrealised gain (loss) on exchange translation of foreign subsidiaries	21	25	(160)	57
	<b>19</b>	<b>28</b>	<b>(156)</b>	<b>79</b>
<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
	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>1</b>
<b>Total other comprehensive income (loss) for the period</b>	<b>19</b>	<b>28</b>	<b>(157)</b>	<b>80</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	<b>77</b>	<b>110</b>	<b>(32)</b>	<b>248</b>
Total comprehensive (income) loss attributable to non-controlling interests	(23)	(27)	25	(53)
<b>TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</b>	<b>54</b>	<b>83</b>	<b>(7)</b>	<b>195</b>

### Interim Consolidated Statement of Changes in Equity

Six-month period ended 30 June 2015 (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 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)
<b>Total comprehensive income (loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>96</b>	<b>(106)</b>	<b>4</b>	<b>(1)</b>	<b>(7)</b>	<b>(25)</b>	<b>(32)</b>
Dividend paid	-	-	-	(156)	-	-	-	(156)	-	(156)
Other equity movements in subsidiaries	-	-	-	1	-	-	-	1	(8)	(7)
<b>At 30 June 2015 (reviewed)</b>	<b>3,110</b>	<b>426</b>	<b>100</b>	<b>625</b>	<b>(390)</b>	<b>(3)</b>	<b>(24)</b>	<b>3,844</b>	<b>387</b>	<b>4,231</b>
At 31 December 2013	3,110	400	150	555	(224)	(32)	(19)	3,940	419	4,359
Profit for the period	-	-	-	137	-	-	-	137	31	168
Other comprehensive income for the period	-	-	-	-	35	22	1	58	22	80
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>137</b>	<b>35</b>	<b>22</b>	<b>1</b>	<b>195</b>	<b>53</b>	<b>248</b>
Dividend paid	-	-	-	(156)	-	-	-	(156)	-	(156)
Transfers during the period	-	-	(50)	50	-	-	-	-	-	-
Other equity movements in subsidiaries	-	-	-	1	-	-	-	1	(12)	(11)
<b>At 30 June 2014 (reviewed)</b>	<b>3,110</b>	<b>400</b>	<b>100</b>	<b>587</b>	<b>(189)</b>	<b>(10)</b>	<b>(18)</b>	<b>3,980</b>	<b>460</b>	<b>4,440</b>

\* Retained earnings include non-distributable reserves arising from consolidation of subsidiaries amounting to US\$ 411 million (31 December 2014: US\$ 406 million).

The above interim consolidated statement of financial position, interim consolidated statement of income, 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 2015, 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 July 2015.