

Interim Consolidated Statement of Financial Position

30 September 2015 (Reviewed)

All figures in US\$ million

	Reviewed 30 September 2015	Audited 31 December 2014
ASSETS		
Liquid funds	1,021	909
Trading securities	501	539
Placements with banks and other financial institutions	4,231	5,870
Securities bought under repurchase agreements	1,828	987
Non-trading securities	5,547	4,627
Loans and advances	14,080	14,819
Interest receivable	432	387
Other assets	860	1,090
Premises and equipment	122	128
TOTAL ASSETS	28,622	29,356
LIABILITIES		
Deposits from customers	13,781	13,945
Deposits from banks and other financial institutions	4,896	5,668
Certificates of deposit	41	47
Securities sold under repurchase agreements	769	87
Interest payable	301	319
Taxation	69	51
Other liabilities	790	922
TERM NOTES, BONDS AND OTHER TERM FINANCING	3,928	3,891
Total liabilities	24,575	24,930
EQUITY		
Share capital	3,110	3,110
Reserves	614	896
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	3,724	4,006
Non-controlling interests	323	420
Total equity	4,047	4,426
TOTAL LIABILITIES AND EQUITY	28,622	29,356

Interim Condensed Consolidated Statement of Cash Flows

Nine-month period ended 30 September 2015 (Reviewed)

All figures in US\$ million

	Nine months ended 30 September	
	2015	2014
OPERATING ACTIVITIES		
Net cash from (used in) operating activities	1,511	(1,280)
INVESTING ACTIVITIES		
Net cash (used in) from investing activities	(1,140)	818
FINANCING ACTIVITIES		
Net cash (used in) from financing activities	(116)	796
Net change in cash and cash equivalents	255	334
Effect of exchange rate changes on liquid funds	(56)	(28)
Cash and cash equivalents at beginning of the period	759	866
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	958	1,172

Interim Consolidated Statement of Income

Nine-month period ended 30 September 2015 (Reviewed)

All figures in US\$ million

	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	2015	2014
OPERATING INCOME				
Interest and similar income	421	291	1,088	855
Interest and similar expense	(294)	(154)	(708)	(448)
Net interest income	127	137	380	407
Other operating income	15	71	134	269
Total operating income	142	208	514	676
Impairment provisions - net	(18)	(13)	(40)	(40)
NET OPERATING INCOME AFTER PROVISIONS	124	195	474	636
OPERATING EXPENSES				
Staff	67	75	211	228
Premises and equipment	9	8	25	26
Other	23	25	76	70
Total operating expenses	99	108	312	324
PROFIT BEFORE TAXATION	25	87	162	312
Taxation on foreign operations	38	(10)	26	(67)
PROFIT FOR THE PERIOD	63	77	188	245
Income attributable to non-controlling interests	(15)	(17)	(44)	(48)
PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	48	60	144	197
BASIC AND DILUTED EARNINGS PER SHARE (EXPRESSED IN US\$)	0.02	0.02	0.05	0.06

Interim Consolidated Statement of Comprehensive Income

Nine-month period ended 30 September 2015 (Reviewed)

All figures in US\$ million

	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	2015	2014
PROFIT FOR THE PERIOD	63	77	188	245
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	(47)	(4)	(45)	13
Amortisation of fair value shortfall on reclassified securities	1	1	3	6
Unrealised loss on exchange translation of foreign subsidiaries	(194)	(104)	(354)	(47)
	(240)	(107)	(396)	(28)
Other comprehensive income that cannot be reclassified (or recycled) to profit or loss in subsequent periods:				
Net change in pension fund reserve	(1)	(1)	(2)	-
	(1)	(1)	(2)	-
Total other comprehensive loss for the period	(241)	(108)	(398)	(28)
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD	(178)	(31)	(210)	217
Total comprehensive loss (income) attributable to non-controlling interests	56	27	81	(26)
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	(122)	(4)	(129)	191

Interim Consolidated Statement of Changes in Equity

Nine-month period ended 30 September 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	-	-	-	144	-	-	-	144	44	188
Other comprehensive loss for the period	-	-	-	-	(229)	(42)	(2)	(273)	(125)	(398)
Total comprehensive income (loss) for the period	-	-	-	144	(229)	(42)	(2)	(129)	(81)	(210)
Dividend paid	-	-	-	(156)	-	-	-	(156)	-	(156)
Other equity movements in subsidiaries	-	-	-	3	-	-	-	3	(16)	(13)
At 30 September 2015 (reviewed)	3,110	426	100	675	(513)	(49)	(25)	3,724	323	4,047
At 31 December 2013	3,110	400	150	555	(224)	(32)	(19)	3,940	419	4,359
Profit for the period	-	-	-	197	-	-	-	197	48	245
Other comprehensive (loss) income for the period	-	-	-	-	(25)	19	-	(6)	(22)	(28)
Total comprehensive income (loss) for the period	-	-	-	197	(25)	19	-	191	26	217
Dividend paid	-	-	-	(156)	-	-	-	(156)	-	(156)
Transfers during the period	-	-	(50)	50	-	-	-	-	-	-
Other equity movements in subsidiaries	-	-	-	1	-	-	-	1	(7)	(6)
At 30 September 2014 (reviewed)	3,110	400	100	647	(249)	(13)	(19)	3,976	438	4,414

* Retained earnings include non-distributable reserves arising from consolidation of subsidiaries amounting to US\$ 413 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 September 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 29 October 2015.