

Consolidated Statement of Financial Position

31 December 2017

All figures in US\$ Million

	2017	2016
ASSETS		
Liquid funds	1,388	1,831
Trading securities	1,051	711
Placements with banks and other financial institutions	3,170	4,130
Securities bought under repurchase agreements	1,521	1,556
Non-trading securities	5,599	5,635
Loans and advances	15,329	14,683
Interest receivable	445	430
Other assets	873	1,053
Premises and equipment	123	112
TOTAL ASSETS	29,499	30,141
LIABILITIES		
Deposits from customers	16,755	14,270
Deposits from banks	3,408	5,870
Certificates of deposit	27	37
Securities sold under repurchase agreements	1,628	169
Interest payable	427	369
Taxation	58	94
Other liabilities	636	803
TERM NOTES, BONDS AND OTHER TERM FINANCING	2,148	4,269
Total liabilities	25,087	25,881
EQUITY		
Share capital	3,110	3,110
Statutory reserve	481	462
Retained earnings	939	859
Other reserves	(600)	(605)
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	3,930	3,826
Non-controlling interests	482	434
Total equity	4,412	4,260
TOTAL LIABILITIES AND EQUITY	29,499	30,141

Condensed Consolidated Statement of Cash Flows

Year ended 31 December 2017

All figures in US\$ Million

	2017	2016
OPERATING ACTIVITIES		
Net cash from operating activities	1,095	749
INVESTING ACTIVITIES		
Net cash from (used in) investing activities	125	(233)
FINANCING ACTIVITIES		
Net cash (used in) from financing activities	(1,592)	301
Net change in cash and cash equivalents	(372)	817
Effect of exchange rate changes on cash and cash equivalents	2	(78)
Cash and cash equivalents at beginning of the year	1,530	791
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	1,160	1,530

Consolidated Statement of Changes in Equity

Year ended 31 December 2017

All figures in US\$ Million

	Equity attributable to the shareholders of the parent							Non-controlling interests	Total equity	
	Other reserves									
	Share capital	Statutory reserve	Retained earnings*	General reserve	Foreign exchange translation adjustments	Cumulative changes in fair value	Pension fund reserve			Total
At 31 December 2015	3,110	444	693	100	(507)	(44)	(23)	3,773	335	4,108
Profit for the year	-	-	183	-	-	-	-	183	51	234
Other comprehensive (loss) income for the year	-	-	-	-	(118)	(1)	(12)	(131)	57	(74)
Total comprehensive income (loss) for the year	-	-	183	-	(118)	(1)	(12)	52	108	160
Transfers during the year	-	18	(18)	-	-	-	-	-	-	-
Other equity movements in subsidiaries	-	-	1	-	-	-	-	1	(9)	(8)
At 31 December 2016	3,110	462	859	100	(625)	(45)	(35)	3,826	434	4,260
Profit for the year	-	-	193	-	-	-	-	193	60	253
Other comprehensive (loss) income for the year	-	-	-	-	(13)	16	2	5	(10)	(5)
Total comprehensive income (loss) for the year	-	-	193	-	(13)	16	2	198	50	248
Dividend	-	-	(93)	-	-	-	-	(93)	-	(93)
Transfers during the year	-	19	(19)	-	-	-	-	-	-	-
Other equity movements in subsidiaries	-	-	(1)	-	-	-	-	(1)	(2)	(3)
At 31 December 2017	3,110	481	939	100	(638)	(29)	(33)	3,930	482	4,412

* Retained earnings include non-distributable reserves arising from consolidation of subsidiaries amounting to US\$ 424 million (2016: US\$ 419 million).

Consolidated Statement of Profit or Loss

Year ended 31 December 2017

All figures in US\$ Million

	2017	2016
OPERATING INCOME		
Interest and similar income	1,511	1,358
Interest and similar expense	(955)	(820)
Net interest income	556	538
Other operating income	313	327
Total operating income	869	865
Impairment provisions - net	(96)	(92)
NET OPERATING INCOME AFTER PROVISIONS	773	773
OPERATING EXPENSES		
Staff	311	291
Premises and equipment	37	33
Other	114	112
Total operating expenses	462	436
PROFIT BEFORE TAXATION	311	337
Taxation on foreign operations	(58)	(103)
PROFIT FOR THE YEAR	253	234
Profit attributable to non-controlling interests	(60)	(51)
PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	193	183
BASIC AND DILUTED EARNINGS PER SHARE (EXPRESSED IN US\$)	0.06	0.06

Consolidated Statement of Comprehensive Income

Year ended 31 December 2017

All figures in US\$ Million

	2017	2016
PROFIT FOR THE YEAR	253	234
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 year after impairment effect	16	(3)
Amortisation of fair value shortfall on reclassified securities	-	2
Unrealised loss on exchange translation in foreign subsidiaries	(23)	(61)
	(7)	(62)
<i>Other comprehensive income that cannot be reclassified (or recycled) to profit or loss in subsequent periods:</i>		
Net change in pension fund reserve	2	(12)
	2	(12)
Total other comprehensive loss for the year	(5)	(74)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	248	160
Total comprehensive income attributable to non-controlling interests	(50)	(108)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	198	52

The above consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, condensed consolidated statement of cash flows and consolidated statement of changes in equity have been extracted from the consolidated financial statements of Arab Banking Corporation (B.S.C) for the year ended 31st December 2017, which were approved by the Board of Directors and on which an unqualified audit opinion was issued by Ernst & Young, Kingdom of Bahrain, on 11th February 2018.