

**Consolidated Statement of Financial Position**

31 December 2015

All figures in US\$ Million

	2015	2014
<b>ASSETS</b>		
Liquid funds	1,002	909
Trading securities	534	539
Placements with banks and other financial institutions	4,313	5,870
Securities bought under repurchase agreements	1,447	987
Non-trading securities	5,535	4,627
Loans and advances	13,958	14,819
Interest receivable	355	387
Other assets	929	1,090
Premises and equipment	122	128
<b>TOTAL ASSETS</b>	<b>28,195</b>	<b>29,356</b>
<b>LIABILITIES</b>		
Deposits from customers	13,384	13,945
Deposits from banks and other financial institutions	5,029	5,668
Certificates of deposit	41	47
Securities sold under repurchase agreements	579	87
Interest payable	260	319
Taxation	70	51
Other liabilities	781	922
TERM NOTES, BONDS AND OTHER TERM FINANCING	3,943	3,891
<b>Total liabilities</b>	<b>24,087</b>	<b>24,930</b>
<b>EQUITY</b>		
Share capital	3,110	3,110
Reserves	663	896
<b>EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT</b>	<b>3,773</b>	<b>4,006</b>
Non-controlling interests	335	420
<b>Total equity</b>	<b>4,108</b>	<b>4,426</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>28,195</b>	<b>29,356</b>

**Condensed Consolidated Statement of Cash Flows**

Year ended 31 December 2015

All figures in US\$ Million

	2015	2014
<b>OPERATING ACTIVITIES</b>		
Net cash from (used in) operating activities	1,147	(1,435)
<b>INVESTING ACTIVITIES</b>		
Net cash (used in) from investing activities	(951)	390
<b>FINANCING ACTIVITIES</b>		
Net cash (used in) from financing activities	(119)	974
Net change in cash and cash equivalents	77	(71)
Effect of exchange rate changes on cash and cash equivalents	(45)	(36)
Cash and cash equivalents at beginning of the year	759	866
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>791</b>	<b>759</b>

**Consolidated Statement of Profit or Loss**

Year ended 31 December 2015

All figures in US\$ Million

	2015	2014
<b>OPERATING INCOME</b>		
Interest and similar income	1,398	1,147
Interest and similar expense	(896)	(606)
<b>Net interest income</b>	<b>502</b>	<b>541</b>
Other operating income	227	347
<b>Total operating income</b>	<b>729</b>	<b>888</b>
Impairment provisions - net	(70)	(64)
<b>NET OPERATING INCOME AFTER PROVISIONS</b>	<b>659</b>	<b>824</b>
<b>OPERATING EXPENSES</b>		
Staff	277	304
Premises and equipment	33	35
Other	111	100
<b>Total operating expenses</b>	<b>421</b>	<b>439</b>
<b>PROFIT BEFORE TAXATION</b>	<b>238</b>	<b>385</b>
Taxation on foreign operations	(1)	(67)
<b>PROFIT FOR THE YEAR</b>	<b>237</b>	<b>318</b>
Income attributable to non-controlling interests	(57)	(62)
<b>PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT</b>	<b>180</b>	<b>256</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE (EXPRESSED IN US\$)</b>	<b>0.06</b>	<b>0.08</b>

**Consolidated Statement of Comprehensive Income**

Year ended 31 December 2015

All figures in US\$ Million

	2015	2014
<b>PROFIT FOR THE YEAR</b>	<b>237</b>	<b>318</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 year after impairment effect	(41)	18
Amortisation of fair value shortfall on reclassified securities	4	7
Unrealised loss on exchange translation in foreign subsidiaries	(343)	(110)
	(380)	(85)
<i>Other comprehensive income that cannot be reclassified (or recycled) to profit or loss in subsequent periods:</i>		
Net change in pension fund reserve	-	(4)
	-	(4)
<b>Total other comprehensive loss for the year</b>	<b>(380)</b>	<b>(89)</b>
<b>TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR</b>	<b>(143)</b>	<b>229</b>
Total comprehensive loss (income) attributable to non-controlling interests	63	(12)
<b>TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</b>	<b>(80)</b>	<b>217</b>

**Consolidated Statement of Changes in Equity**

Year ended 31 December 2015

All figures in US\$ Million

	Equity attributable to the 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 2013	3,110	400	150	555	(224)	(32)	(19)	3,940	419	4,359
Profit for the year	-	-	-	256	-	-	-	256	62	318
Other comprehensive (loss) income for the year	-	-	-	-	(60)	25	(4)	(39)	(50)	(89)
<b>Total comprehensive income (loss) for the year</b>	-	-	-	256	(60)	25	(4)	217	12	229
Dividend paid	-	-	-	(156)	-	-	-	(156)	-	(156)
Transfers during the year	-	26	(50)	24	-	-	-	-	-	-
Other equity movements in subsidiaries	-	-	-	5	-	-	-	5	(11)	(6)
At 31 December 2014	3,110	426	100	684	(284)	(7)	(23)	4,006	420	4,426
Profit for the year	-	-	-	180	-	-	-	180	57	237
Other comprehensive loss for the year	-	-	-	-	(223)	(37)	-	(260)	(120)	(380)
<b>Total comprehensive income (loss) for the year</b>	-	-	-	180	(223)	(37)	-	(80)	(63)	(143)
Dividend paid	-	-	-	(156)	-	-	-	(156)	-	(156)
Transfers during the year	-	18	-	(18)	-	-	-	-	-	-
Other equity movements in subsidiaries	-	-	-	3	-	-	-	3	(22)	(19)
At 31 December 2015	3,110	444	100	693	(507)	(44)	(23)	3,773	335	4,108

\* Retained earnings include non-distributable reserves arising from consolidation of subsidiaries amounting to US\$ 414 million (2014: US\$ 406 million).

The above consolidated statement of financial position, consolidated statement of profit or loss, condensed consolidated statement of cash flows, consolidated statement of comprehensive income 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 31 December 2015, which were approved by the Board of Directors and on which an unqualified audit opinion was issued by Ernst & Young, Kingdom of Bahrain, on 14th February 2016.