

Consolidated Statement of Financial Position

31 December 2016

All figures in US\$ Million

	2016	2015
ASSETS		
Liquid funds	1,831	1,002
Trading securities	711	534
Placements with banks and other financial institutions	4,130	4,313
Securities bought under repurchase agreements	1,556	1,447
Non-trading securities	5,635	5,535
Loans and advances	14,683	13,958
Interest receivable	430	355
Other assets	1,053	929
Premises and equipment	112	122
TOTAL ASSETS	30,141	28,195
LIABILITIES		
Deposits from customers	13,234	13,384
Deposits from banks and other financial institutions	6,906	5,029
Certificates of deposit	37	41
Securities sold under repurchase agreements	169	579
Interest payable	369	260
Taxation	94	70
Other liabilities	803	781
TERM NOTES, BONDS AND OTHER TERM FINANCING	4,269	3,943
Total liabilities	25,881	24,087
EQUITY		
Share capital	3,110	3,110
Statutory reserve	462	444
Retained earnings	859	693
Other reserves	(605)	(474)
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	3,826	3,773
Non-controlling interests	434	335
Total equity	4,260	4,108
TOTAL LIABILITIES AND EQUITY	30,141	28,195

Condensed Consolidated Statement of Cash Flows

Year ended 31 December 2016

All figures in US\$ Million

	2016	2015
OPERATING ACTIVITIES		
Net cash from operating activities	749	1,147
INVESTING ACTIVITIES		
Net cash used in investing activities	(233)	(951)
FINANCING ACTIVITIES		
Net cash from (used in) financing activities	301	(119)
Net change in cash and cash equivalents	817	77
Effect of exchange rate changes on cash and cash equivalents	(78)	(45)
Cash and cash equivalents at beginning of the year	791	759
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	1,530	791

Consolidated Statement of Profit or Loss

Year ended 31 December 2016

All figures in US\$ Million

	2016	2015
OPERATING INCOME		
Interest and similar income	1,358	1,398
Interest and similar expense	(820)	(896)
Net interest income	538	502
Other operating income	327	227
Total operating income	865	729
Impairment provisions - net	(92)	(70)
NET OPERATING INCOME AFTER PROVISIONS	773	659
OPERATING EXPENSES		
Staff	291	277
Premises and equipment	33	33
Other	112	111
Total operating expenses	436	421
PROFIT BEFORE TAXATION	337	238
Taxation on foreign operations	(103)	(1)
PROFIT FOR THE YEAR	234	237
Profit attributable to non-controlling interests	(51)	(57)
PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	183	180
BASIC AND DILUTED EARNINGS PER SHARE (EXPRESSED IN US\$)	0.06	0.06

Consolidated Statement of Comprehensive Income

Year ended 31 December 2016

All figures in US\$ Million

	2016	2015
PROFIT FOR THE YEAR	234	237
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	(3)	(41)
Amortisation of fair value shortfall on reclassified securities	2	4
Unrealised loss on exchange translation in foreign subsidiaries	(61)	(343)
	(62)	(380)
<i>Other comprehensive income that cannot be reclassified (or recycled) to profit or loss in subsequent periods:</i>		
Net change in pension fund reserve	(12)	-
	(12)	-
Total other comprehensive loss for the year	(74)	(380)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	160	(143)
Total comprehensive (income) loss attributable to non-controlling interests	(108)	63
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	52	(80)

Consolidated Statement of Changes in Equity

Year ended 31 December 2016

All figures in US\$ Million

	Equity attributable to the shareholders of the parent							Non-controlling interests	Total equity	
	Share capital	Statutory reserve	Retained earnings*	General reserve	Other reserves					Total
					Foreign exchange translation adjustments	Cumulative changes in fair value	Pension fund reserve			
At 31 December 2014	3,110	426	684	100	(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)
Total comprehensive income (loss) for the year	-	-	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	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

* Retained earnings include non-distributable reserves arising from consolidation of subsidiaries amounting to US\$ 419 million (2015: US\$ 414 million).

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 the 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 2016, which were approved by the Board of Directors and on which an unqualified audit opinion was issued by Ernst & Young, Kingdom of Bahrain, on 5th February 2017.