

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2019

All figures in US\$ Million

	2019	2018
ASSETS		
Liquid funds	1,874	1,607
Trading securities	507	977
Placements with banks and other financial institutions	2,051	2,991
Securities bought under repurchase agreements	1,398	1,668
Non-trading investments	5,836	5,661
Loans and advances	16,452	14,884
Other assets	1,767	1,601
Premises and equipment	183	160
TOTAL ASSETS	30,068	29,549
LIABILITIES		
Deposits from customers	16,666	16,425
Deposits from banks	3,897	4,207
Certificates of deposit	399	39
Securities sold under repurchase agreements	1,008	1,271
Taxation	63	43
Other liabilities	1,466	1,236
Borrowings	2,080	2,012
Total liabilities	25,579	25,233
EQUITY		
Share capital	3,110	3,110
Treasury shares	(6)	(4)
Statutory reserve	520	501
Retained earnings	1,051	966
Other reserves	(644)	(711)
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	4,031	3,862
Non-controlling interests	458	454
Total equity	4,489	4,316
TOTAL LIABILITIES AND EQUITY	30,068	29,549

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2019

All figures in US\$ Million

	2019	2018
OPERATING ACTIVITIES		
Net cash from operating activities	28	606
INVESTING ACTIVITIES		
Net cash used in investing activities	(39)	(152)
FINANCING ACTIVITIES		
Net cash from (used in) financing activities	310	(239)
Net change in cash and cash equivalents	299	215
Effect of exchange rate changes on cash and cash equivalents	17	(34)
Cash and cash equivalents at beginning of the year	1,341	1,160
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	1,657	1,341

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2019

All figures in US\$ Million

	2019	2018
OPERATING INCOME		
Interest and similar income	1,460	1,472
Interest and similar expense	(896)	(913)
Net interest income	564	559
Other operating income	301	258
Total operating income	865	817
Credit loss expense	(82)	(79)
NET OPERATING INCOME AFTER CREDIT LOSS EXPENSE	783	738
OPERATING EXPENSES		
Staff	343	316
Premises and equipment	42	38
Other	139	120
Total operating expenses	524	474
PROFIT BEFORE TAXATION	259	264
Taxation on foreign operations	(23)	(16)
PROFIT FOR THE YEAR	236	248
Profit attributable to non-controlling interests	(42)	(46)
PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	194	202
BASIC AND DILUTED EARNINGS PER SHARE (EXPRESSED IN US\$)	0.06	0.07

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2019

All figures in US\$ Million

	2019	2018
PROFIT FOR THE YEAR	236	248
Other comprehensive income:		
<i>Other comprehensive income that will be reclassified (or recycled) to profit or loss in subsequent periods:</i>		
Foreign currency translation:		
Unrealised loss on exchange translation in foreign subsidiaries	(25)	(169)
Debt instruments at FVOCI:		
Net change in fair value during the year	81	(42)
	56	(211)
<i>Other comprehensive income that will not be reclassified (or recycled) to profit or loss in subsequent periods:</i>		
Net change in pension fund reserve	(2)	3
Net change in fair value of equity securities during the year	(2)	-
	(4)	3
Other comprehensive income (loss) for the year	52	(208)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	288	40
Attributable to:		
Shareholders of the parent	261	57
Non-controlling interests	27	(17)
	288	40

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2019

All figures in US\$ Million

	Equity attributable to the shareholders of the parent								Non-controlling interests	Total equity	
	Share capital	Treasury shares	Statutory reserve	Retained earnings*	Other reserves						
					General reserve	Foreign exchange translation adjustments	Cumulative changes in fair value	Pension fund reserve			
At 31 December 2017	3,110	-	481	939	100	(638)	(29)	(33)	3,930	482	4,412
Impact of adopting IFRS 9	-	-	-	(62)	-	-	34	-	(28)	(8)	(36)
Restated balance as at 1 January 2018	3,110	-	481	877	100	(638)	5	(33)	3,902	474	4,376
Profit for the year	-	-	-	202	-	-	-	-	202	46	248
Other comprehensive (loss) income for the year	-	-	-	-	-	(106)	(42)	3	(145)	(63)	(208)
Total comprehensive income (loss) for the year	-	-	-	202	-	(106)	(42)	3	57	(17)	40
Dividend	-	-	-	(93)	-	-	-	-	(93)	-	(93)
Purchase of treasury shares	-	(4)	-	-	-	-	-	-	(4)	-	(4)
Transfers during the year	-	-	20	(20)	-	-	-	-	-	-	-
Other equity movements in subsidiaries	-	-	-	-	-	-	-	-	-	(3)	(3)
At 31 December 2018	3,110	(4)	501	966	100	(744)	(37)	(30)	3,862	454	4,316
Profit for the year	-	-	-	194	-	-	-	-	194	42	236
Other comprehensive (loss) income for the year	-	-	-	-	-	(10)	79	(2)	67	(15)	52
Total comprehensive income (loss) for the year	-	-	-	194	-	(10)	79	(2)	261	27	288
Dividend	-	-	-	(93)	-	-	-	-	(93)	-	(93)
Purchase of treasury shares	-	(2)	-	-	-	-	-	-	(2)	-	(2)
Transfers during the year	-	-	19	(19)	-	-	-	-	-	-	-
Other equity movements in subsidiaries	-	-	-	3	-	-	-	-	3	(23)	(20)
At 31 December 2019	3,110	(6)	520	1,051	100	(754)	42	(32)	4,031	458	4,489

* Retained earnings include non-distributable reserves arising from consolidation of subsidiaries amounting to US\$ 479 million (2018: US\$ 429 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 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 2019, which were approved by the Board of Directors and on which an unqualified audit opinion was issued by Ernst & Young, Kingdom of Bahrain, on 9th February 2020.