

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
	30.6.17 US\$ millions	31.12.16 US\$ millions
<b>ASSETS</b>		
Cash and other liquid assets	4,958.3	3,095.0
Securities purchased under agreements to resell	789.9	635.0
Placements	5,455.2	4,715.3
Trading securities	153.7	91.9
Investment securities	3,829.7	4,066.4
Loans and advances	10,488.3	9,745.1
Other assets	537.7	557.1
<b>Total assets</b>	<b>26,212.8</b>	<b>22,905.8</b>
<b>LIABILITIES</b>		
Deposits from banks	3,019.0	2,554.2
Deposits from customers	15,919.3	13,447.5
Securities sold under agreements to repurchase	635.2	1,321.5
Other liabilities	531.2	463.6
Senior term financing	3,719.7	2,761.6
<b>Total liabilities</b>	<b>23,824.4</b>	<b>20,548.4</b>
<b>EQUITY</b>		
Share capital	2,500.0	2,500.0
Reserves	349.4	364.7
Retained earnings	(461.0)	(507.3)
<b>Total equity</b>	<b>2,388.4</b>	<b>2,357.4</b>
<b>Total liabilities &amp; equity</b>	<b>26,212.8</b>	<b>22,905.8</b>

CONSOLIDATED STATEMENT OF CASH FLOWS		
	Six months ended	
	30.6.17 US\$ millions	30.6.16 US\$ millions
<b>OPERATING ACTIVITIES</b>		
Net income before tax	53.3	41.7
Adjustments to reconcile net income to net cash flow from operating activities:-		
Provisions for loans and advances	4.1	3.9
Tax paid	(1.3)	(2.2)
Realised profits on debt investment securities	(0.1)	(1.2)
Amortisation of investment securities	5.9	5.7
Amortisation of senior term financing	0.1	0.1
Net (increase) / decrease in statutory deposits with central banks	(42.5)	39.1
Net (increase) / decrease in securities purchased under agreements to resell	(154.9)	1,194.0
Net increase in placements	(739.9)	(1,031.0)
Net increase in trading securities	(61.8)	(2.0)
Net increase in loans and advances	(747.3)	(389.8)
Increase in accrued interest receivable	(49.3)	(8.5)
Increase in accrued interest payable	46.5	8.0
Net decrease in other net assets	84.5	8.5
Net increase in deposits from banks	464.8	945.2
Net increase / (decrease) in deposits from customers	2,471.8	(1,608.8)
Net decrease in securities sold under agreement to repurchase	(686.3)	(527.2)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>647.6</b>	<b>(1,324.5)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investment securities	(767.9)	(907.6)
Maturity and sale of investment securities	983.1	754.4
<b>Net cash inflow / (outflow) from investing activities</b>	<b>215.2</b>	<b>(153.2)</b>
<b>FINANCING ACTIVITIES</b>		
Net increase in senior term financing	958.0	285.7
<b>Net cash inflow from financing activities</b>	<b>958.0</b>	<b>285.7</b>
<b>Increase / (decrease) in cash and cash equivalents</b>	<b>1,820.8</b>	<b>(1,192.0)</b>
<b>Cash and cash equivalents at 1<sup>st</sup> January</b>	<b>2,923.6</b>	<b>4,117.5</b>
<b>Cash and cash equivalents at 30<sup>th</sup> June</b>	<b>4,744.4</b>	<b>2,925.5</b>

CONSOLIDATED STATEMENT OF INCOME				
	Three months ended		Six months ended	
	30.6.17 US\$ millions	30.6.16 US\$ millions	30.6.17 US\$ millions	30.6.16 US\$ millions
Interest income	149.2	111.6	282.4	220.3
Interest expense	85.4	67.9	164.0	129.3
Net interest income	63.8	43.7	118.4	91.0
Fee and commission income	20.5	15.8	36.7	32.6
Foreign exchange income	3.5	4.8	7.1	9.0
Trading income	4.8	4.9	9.3	4.6
Other income	0.7	13.0	4.1	14.2
<b>Total income</b>	<b>93.3</b>	<b>82.2</b>	<b>175.6</b>	<b>151.4</b>
Staff expenses	35.2	35.4	69.2	68.9
Premises expenses	5.2	4.5	9.9	8.5
Other operating expenses	18.7	10.0	36.5	24.9
<b>Total operating expenses</b>	<b>59.1</b>	<b>49.9</b>	<b>115.6</b>	<b>102.3</b>
<b>Net income before provisions and tax</b>	<b>34.2</b>	<b>32.3</b>	<b>60.0</b>	<b>49.1</b>
Provision (charge) / release for loans and advances	(1.1)	0.6	(4.1)	(3.9)
<b>Net income before tax</b>	<b>33.1</b>	<b>32.9</b>	<b>55.9</b>	<b>45.2</b>
Taxation charge on overseas activities	(1.4)	(1.7)	(2.6)	(3.5)
<b>Net income</b>	<b>31.7</b>	<b>31.2</b>	<b>53.3</b>	<b>41.7</b>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME				
	Three months ended		Six months ended	
	30.6.17 US\$ millions	30.6.16 US\$ millions	30.6.17 US\$ millions	30.6.16 US\$ millions
<b>Net income</b>	<b>31.7</b>	<b>31.2</b>	<b>53.3</b>	<b>41.7</b>
<b>Other comprehensive income:-</b>				
<b>Items that may subsequently be reclassified to consolidated statement of income:-</b>				
Cash flow hedges:-				
- net changes in fair value	0.1	-	-	-
	0.1	-	-	-
<b>Items that will not be reclassified to consolidated statement of income:-</b>				
Net changes in fair value of equity investments classified as fair value through other comprehensive income (FVTOCI)				
	5.2	(3.3)	(14.3)	(22.9)
Remeasurement of defined benefit pension fund	(8.0)	(6.4)	(8.0)	(6.4)
	(2.8)	(9.7)	(22.3)	(29.3)
<b>Total other comprehensive loss</b>	<b>(2.7)</b>	<b>(9.7)</b>	<b>(22.3)</b>	<b>(29.3)</b>
<b>Total comprehensive income</b>	<b>29.0</b>	<b>21.5</b>	<b>31.0</b>	<b>12.4</b>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY				
	Share capital US\$ millions	Reserves US\$ millions	Retained earnings US\$ millions	Total US\$ millions
<b>At 1<sup>st</sup> January 2017</b>	<b>2,500.0</b>	<b>364.7</b>	<b>(507.3)</b>	<b>2,357.4</b>
Net income for the period	-	-	53.3	53.3
Other comprehensive loss for the period	-	(14.3)	(8.0)	(22.3)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(14.3)</b>	<b>45.3</b>	<b>31.0</b>
Transfer to retained earnings	-	(1.0)	1.0	-
<b>At 30<sup>th</sup> June 2017</b>	<b>2,500.0</b>	<b>349.4</b>	<b>(461.0)</b>	<b>2,388.4</b>
<b>At 1<sup>st</sup> January 2016</b>	<b>2,500.0</b>	<b>379.8</b>	<b>(517.5)</b>	<b>2,362.3</b>
Net income for the period	-	-	41.7	41.7
Other comprehensive loss for the period	-	(22.9)	(6.4)	(29.3)
Total comprehensive loss for the period	-	(22.9)	35.3	12.4
Transfer to retained earnings	-	(0.3)	0.3	-
<b>At 30<sup>th</sup> June 2016</b>	<b>2,500.0</b>	<b>356.6</b>	<b>(481.9)</b>	<b>2,374.7</b>

#### ACCOUNTING POLICIES

The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The condensed interim consolidated financial statements for the six months ended 30<sup>th</sup> June 2017 have been prepared in compliance with International Accounting Standard (IAS) No. 34: Interim Financial Reporting. The accounting policies have been consistently applied by the Group and are consistent with those of the previous year, as set out in the consolidated financial statements for the year ended 31<sup>st</sup> December 2016.

All 30<sup>th</sup> June figures in these condensed interim consolidated financial statements have been reviewed by the external auditors, while those at 31<sup>st</sup> December are audited.

The condensed interim consolidated financial statements were approved by the Board of Directors on 16<sup>th</sup> July 2017 and signed on its behalf by:-

**Abdullah bin Hassan Alabdulgader**  
Vice Chairman and Chairman of Board Audit Committee

**Abdulaziz A. Al-Helaissi**  
Chief Executive Officer

The above has been extracted from the condensed interim consolidated financial statements, which have been reviewed by Ernst & Young (EY).  
The condensed interim consolidated financial statements are available on GIB's website at [www.gib.com](http://www.gib.com)

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