

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	30.6.20 US\$ millions	31.12.19 US\$ millions
<b>ASSETS</b>		
Cash and other liquid assets	6,150.0	8,085.1
Securities purchased under agreements to resell	930.0	1,410.0
Placements	7,634.9	6,171.4
Trading securities	145.6	142.2
Investment securities	4,180.0	3,828.4
Loans and advances	9,511.4	9,876.1
Other assets	900.3	728.5
<b>Total assets</b>	<b>29,452.2</b>	<b>30,241.7</b>
<b>LIABILITIES</b>		
Deposits from banks	996.3	929.3
Deposits from customers	19,350.7	21,223.3
Securities sold under agreements to repurchase	503.4	523.1
Other liabilities	1,257.9	767.3
Senior term financing	4,175.3	3,502.4
<b>Total liabilities</b>	<b>26,283.6</b>	<b>26,945.4</b>
<b>EQUITY</b>		
Share capital	2,500.0	2,500.0
Reserves	337.9	343.5
Retained earnings	(647.8)	(547.6)
<b>Equity attributable to the shareholders of the Bank</b>	<b>2,190.1</b>	<b>2,295.9</b>
Non-controlling interest	978.5	1,000.4
<b>Total equity</b>	<b>3,168.6</b>	<b>3,296.3</b>
<b>Total liabilities &amp; equity</b>	<b>29,452.2</b>	<b>30,241.7</b>

**CONSOLIDATED STATEMENT OF INCOME**

	Three months		Six months	
	ended	ended	ended	ended
	30.6.20 US\$ millions	30.6.19 US\$ millions	30.6.20 US\$ millions	30.6.19 US\$ millions
Interest income	123.2	216.9	297.3	427.9
Interest expense	69.2	145.9	180.3	288.2
Net interest income	54.0	71.0	117.0	139.7
Fee and commission income	13.5	16.6	26.7	32.3
Trading (loss) / income	(3.7)	5.2	(16.5)	14.8
Foreign exchange income	5.5	2.7	11.5	5.7
Other income	2.4	3.7	6.1	3.7
<b>Total income</b>	<b>71.7</b>	<b>99.2</b>	<b>144.8</b>	<b>196.2</b>
Staff expenses	37.5	37.7	79.6	75.3
Premises expenses	5.7	5.2	11.0	10.5
Other operating expenses	22.8	22.8	42.9	45.0
<b>Total operating expenses</b>	<b>66.0</b>	<b>65.7</b>	<b>133.5</b>	<b>130.8</b>
<b>Net income before provisions and tax</b>	<b>5.7</b>	<b>33.5</b>	<b>11.3</b>	<b>65.4</b>
Provision charge for loans and advances	(50.4)	(3.1)	(115.4)	(4.4)
Provision release for investment securities	0.8	-	0.1	-
<b>Net (loss) / income before tax</b>	<b>(43.9)</b>	<b>30.4</b>	<b>(104.0)</b>	<b>61.0</b>
Taxation release / (charge)	2.3	(1.8)	1.9	(3.7)
<b>Net (loss) / income</b>	<b>(41.6)</b>	<b>28.6</b>	<b>(102.1)</b>	<b>57.3</b>
<b>Attributable to:</b>				
Shareholders of the Bank	(37.9)	25.9	(85.4)	54.6
Non-controlling interest	(3.7)	2.7	(16.7)	2.7
	(41.6)	28.6	(102.1)	57.3

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Three months		Six months	
	ended	ended	ended	ended
	30.6.20 US\$ millions	30.6.19 US\$ millions	30.6.20 US\$ millions	30.6.19 US\$ millions
<b>Net (loss) / income</b>	<b>(41.6)</b>	<b>28.6</b>	<b>(102.1)</b>	<b>57.3</b>
<b>Other comprehensive (loss) / 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)	1.0	(0.1)	1.8
Deferred tax :-	0.4	-	0.4	-
- net changes in deferred tax	0.3	1.0	0.3	1.8
<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)	10.4	(5.2)	(11.1)	23.9
Remeasurement of defined benefit pension fund	(14.8)	(3.0)	(14.8)	(3.0)
	(4.4)	(8.2)	(25.9)	20.9
<b>Total other comprehensive (loss) / income</b>	<b>(4.1)</b>	<b>(7.2)</b>	<b>(25.6)</b>	<b>22.7</b>
<b>Total comprehensive (loss) / income</b>	<b>(45.7)</b>	<b>21.4</b>	<b>(127.7)</b>	<b>80.0</b>
<b>Attributable to:</b>				
Shareholders of the Bank	(47.5)	21.6	(105.8)	80.2
Non-controlling interest	1.8	(0.2)	(21.9)	(0.2)
	(45.7)	21.4	(127.7)	80.0

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Equity attributable to the shareholders of the Bank					Non-controlling interest US\$ millions	Total US\$ millions
	Share capital	Reserves	Retained earnings	Total			
	US\$ millions	US\$ millions	US\$ millions	US\$ millions	US\$ millions		
<b>At 1<sup>st</sup> January 2020</b>	<b>2,500.0</b>	<b>343.5</b>	<b>(547.6)</b>	<b>2,295.9</b>	<b>1,000.4</b>	<b>3,296.3</b>	
Net loss for the period	-	-	(85.4)	(85.4)	(16.7)	(102.1)	
Other comprehensive loss for the period	-	(5.6)	(14.8)	(20.4)	(5.2)	(25.6)	
Total comprehensive loss for the period	-	(5.6)	(100.2)	(105.8)	(21.9)	(127.7)	
<b>At 30<sup>th</sup> June 2020</b>	<b>2,500.0</b>	<b>337.9</b>	<b>(647.8)</b>	<b>2,190.1</b>	<b>978.5</b>	<b>3,168.6</b>	
<b>At 1<sup>st</sup> January 2019</b>	<b>2,500.0</b>	<b>361.4</b>	<b>(665.2)</b>	<b>2,196.2</b>	<b>-</b>	<b>2,196.2</b>	
<b>Purchase of shares in subsidiary entity by non-controlling interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>999.8</b>	<b>999.8</b>	
Net income for the period	-	-	54.6	54.6	2.7	57.3	
Other comprehensive income for the period	-	27.6	(3.0)	24.6	(1.9)	22.7	
Total comprehensive income / (loss) for the period	-	27.6	51.6	79.2	0.8	80.0	
Transfer to retained earnings	-	(37.8)	37.8	-	-	-	
<b>At 30<sup>th</sup> June 2019</b>	<b>2,500.0</b>	<b>351.2</b>	<b>(575.8)</b>	<b>2,275.4</b>	<b>1,000.6</b>	<b>3,276.0</b>	

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Six months	
	ended	ended
	30.6.20 US\$ millions	30.6.19 US\$ millions
<b>OPERATING ACTIVITIES</b>		
Net (loss) / income before tax	(104.0)	61.0
Adjustments to reconcile net income to net cash flow from operating activities:-		
Provision charge for loans and advances	115.4	4.4
Provision release for investment securities	(0.1)	-
Tax paid	(1.1)	(2.1)
Realised (gains) / losses on debt investment securities	(2.2)	0.2
Amortisation of investment securities	3.6	4.5
Amortisation of senior term financing	0.3	0.2
Net increase in statutory deposits with central banks	(48.4)	(32.9)
Net decrease / (increase) in securities purchased under agreements to resell	480.0	(611.6)
Net increase in placements	(1,463.5)	(163.3)
Net increase in trading securities	(3.4)	(12.5)
Net decrease / (increase) in loans and advances	249.3	(15.2)
Decrease in accrued interest receivable	61.3	22.2
Decrease in accrued interest payable	(72.5)	(32.5)
Net decrease in other net assets	216.4	271.3
Net increase / (decrease) in deposits from banks	67.0	(557.2)
Net (decrease) / increase in deposits from customers	(1,872.6)	4,241.2
Net decrease in securities sold under agreement to repurchase	(19.7)	(472.5)
<b>Net cash (outflow) / inflow from operating activities</b>	<b>(2,394.2)</b>	<b>2,705.2</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investment securities	(436.3)	(183.6)
Maturity of investment securities	292.1	305.2
<b>Net cash (outflow) / inflow from investing activities</b>	<b>(144.2)</b>	<b>121.6</b>
<b>FINANCING ACTIVITIES</b>		
Issuance of senior term financing	850.6	286.3
Maturity of senior term financing	(178.0)	(659.5)
Non-controlling interest capital injection	-	999.8
<b>Net cash inflow from financing activities</b>	<b>672.6</b>	<b>626.6</b>
<b>(Decrease) / increase in cash and cash equivalents</b>	<b>(1,865.8)</b>	<b>3,453.4</b>
<b>Net foreign exchange difference</b>	<b>(117.8)</b>	<b>(162.2)</b>
<b>Cash and cash equivalents at 1<sup>st</sup> January</b>	<b>7,796.6</b>	<b>4,883.2</b>
<b>Cash and cash equivalents at 30<sup>th</sup> June</b>	<b>5,813.0</b>	<b>8,174.4</b>
Cash and cash equivalents at 30 <sup>th</sup> June 2020 excludes statutory deposits amounting to US\$337.0 million (30 <sup>th</sup> June 2019: US\$263.9 million).		

**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 2020 have been prepared in compliance with International Accounting Standard (IAS) No. 34: Interim Financial Reporting as modified by the Central Bank of Bahrain (CBB). 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 2019.

The consolidated financial statements were approved by the Board of Directors on 27<sup>th</sup> July 2020 and signed on its behalf by:-

**Abdullah bin Hassan Alabdulgader**  
Chairman of the Board

**Sultan bin Abdul Malek Al-Sheikh**  
Chairman of the Board Audit Committee

**Abdulaziz A. Al-Helaissi**  
Group 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)