

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	30.9.17 US\$ millions	31.12.16 US\$ millions
<b>ASSETS</b>		
Cash and other liquid assets	6,703.6	3,095.0
Securities purchased under agreements to resell	855.0	635.0
Placements	5,206.0	4,715.3
Trading securities	190.9	91.9
Investment securities	3,806.6	4,066.4
Loans and advances	10,285.0	9,745.1
Other assets	568.2	557.1
<b>Total assets</b>	<b>27,615.3</b>	<b>22,905.8</b>
<b>LIABILITIES</b>		
Deposits from banks	2,214.2	2,554.2
Deposits from customers	18,291.4	13,447.5
Securities sold under agreements to repurchase	410.6	1,321.5
Other liabilities	530.1	463.6
Senior term financing	3,759.5	2,761.6
<b>Total liabilities</b>	<b>25,205.8</b>	<b>20,548.4</b>
<b>EQUITY</b>		
Share capital	2,500.0	2,500.0
Reserves	345.1	364.7
Retained earnings	(435.6)	(507.3)
<b>Total equity</b>	<b>2,409.5</b>	<b>2,357.4</b>
<b>Total liabilities &amp; equity</b>	<b>27,615.3</b>	<b>22,905.8</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Nine months ended	
	30.9.17 US\$ millions	30.9.16 US\$ millions
<b>OPERATING ACTIVITIES</b>		
Net income before tax	78.7	60.4
Adjustments to reconcile net income to net cash flow from operating activities:-		
Provisions for loans and advances	15.4	3.8
Tax paid	(1.4)	(4.4)
Realised losses / (profits) on debt investment securities	0.4	(1.4)
Amortisation of investment securities	7.9	8.9
Amortisation of senior term financing	0.3	-
Net (increase) / decrease in statutory deposits with central banks	(31.8)	14.4
Net (increase) / decrease in securities purchased under agreements to resell	(220.0)	1,292.8
Net increase in placements	(490.7)	(415.9)
Net increase in trading securities	(99.0)	(10.4)
Net increase in loans and advances	(555.3)	(694.8)
Increase in accrued interest receivable	(56.6)	(34.5)
Increase in accrued interest payable	60.7	34.2
Net decrease in other net assets	46.6	28.9
Net (decrease) / increase in deposits from banks	(340.0)	645.7
Net increase / (decrease) in deposits from customers	4,843.9	(1,207.1)
Net decrease in securities sold under agreement to repurchase	(910.9)	(687.2)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>2,348.2</b>	<b>(966.6)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investment securities	(929.5)	(1,160.6)
Maturity and sale of investment securities	1,160.5	1,061.4
<b>Net cash inflow / (outflow) from investing activities</b>	<b>231.0</b>	<b>(99.2)</b>
<b>FINANCING ACTIVITIES</b>		
Net increase in senior term financing	997.6	290.8
Net decrease in subordinated term financing	-	(150.0)
<b>Net cash inflow from financing activities</b>	<b>997.6</b>	<b>140.8</b>
<b>Increase / (decrease) in cash and cash equivalents</b>	<b>3,576.8</b>	<b>(925.0)</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> September</b>	<b>6,500.4</b>	<b>3,192.5</b>

**CONSOLIDATED STATEMENT OF INCOME**

	Three months ended		Nine months ended	
	30.9.17 US\$ millions	30.9.16 US\$ millions	30.9.17 US\$ millions	30.9.16 US\$ millions
Interest income	153.8	117.1	436.2	337.4
Interest expense	87.0	69.4	251.0	198.7
Net interest income	66.8	47.7	185.2	138.7
Fee and commission income	19.0	16.0	55.7	48.6
Foreign exchange income	3.4	2.6	10.5	11.6
Trading income	1.7	1.9	11.0	6.5
Other income	3.4	2.2	7.5	16.4
<b>Total income</b>	<b>94.3</b>	<b>70.4</b>	<b>269.9</b>	<b>221.8</b>
Staff expenses	35.9	34.7	105.1	103.6
Premises expenses	5.0	4.5	14.9	13.0
Other operating expenses	19.3	16.1	55.8	41.0
<b>Total operating expenses</b>	<b>60.2</b>	<b>55.3</b>	<b>175.8</b>	<b>157.6</b>
<b>Net income before provisions and tax</b>	<b>34.1</b>	<b>15.1</b>	<b>94.1</b>	<b>64.2</b>
Provision (charge) / release for loans and advances	(11.3)	0.1	(15.4)	(3.8)
<b>Net income before tax</b>	<b>22.8</b>	<b>15.2</b>	<b>78.7</b>	<b>60.4</b>
Taxation charge on overseas activities	(2.0)	(1.9)	(4.6)	(5.4)
<b>Net income</b>	<b>20.8</b>	<b>13.3</b>	<b>74.1</b>	<b>55.0</b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Three months ended		Nine months ended	
	30.9.17 US\$ millions	30.9.16 US\$ millions	30.9.17 US\$ millions	30.9.16 US\$ millions
<b>Net income</b>	<b>20.8</b>	<b>13.3</b>	<b>74.1</b>	<b>55.0</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)	-
	(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)	(4.0)	(19.7)	(18.3)	(42.6)
Remeasurement of defined benefit pension fund	4.4	(34.6)	(3.6)	(41.0)
	0.4	(54.3)	(21.9)	(83.6)
<b>Total other comprehensive income / (loss)</b>	<b>0.3</b>	<b>(54.3)</b>	<b>(22.0)</b>	<b>(83.6)</b>
<b>Total comprehensive income / (loss)</b>	<b>21.1</b>	<b>(41.0)</b>	<b>52.1</b>	<b>(28.6)</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	-	-	74.1	74.1
Other comprehensive loss for the period	-	(18.4)	(3.6)	(22.0)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(18.4)</b>	<b>70.5</b>	<b>52.1</b>
Transfer to retained earnings	-	(1.2)	1.2	-
<b>At 30<sup>th</sup> September 2017</b>	<b>2,500.0</b>	<b>345.1</b>	<b>(435.6)</b>	<b>2,409.5</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	-	-	55.0	55.0
Other comprehensive loss for the period	-	(42.6)	(41.0)	(83.6)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(42.6)</b>	<b>14.0</b>	<b>(28.6)</b>
Transfer to retained earnings	-	(0.3)	0.3	-
<b>At 30<sup>th</sup> September 2016</b>	<b>2,500.0</b>	<b>336.9</b>	<b>(503.2)</b>	<b>2,333.7</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 nine months ended 30<sup>th</sup> September 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> September 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 28<sup>th</sup> October 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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