

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30.9.18 US\$ millions	31.12.17 US\$ millions
ASSETS		
Cash and other liquid assets	7,538.0	3,768.5
Securities purchased under agreements to resell	1,492.7	855.0
Placements	6,493.3	6,033.2
Trading securities	177.7	191.8
Investment securities	3,963.7	3,993.8
Loans and advances	10,279.6	10,043.1
Other assets	775.4	585.9
Total assets	30,720.4	25,471.3
LIABILITIES		
Deposits from banks	2,407.5	2,129.1
Deposits from customers	21,724.7	15,989.8
Securities sold under agreements to repurchase	887.0	1,130.5
Other liabilities	568.2	547.4
Senior term financing	2,814.0	3,263.6
Total liabilities	28,401.4	23,060.4
EQUITY		
Share capital	2,500.0	2,500.0
Reserves	374.8	352.5
Retained earnings	(555.8)	(441.6)
Total equity	2,319.0	2,410.9
Total liabilities & equity	30,720.4	25,471.3

CONSOLIDATED STATEMENT OF CASH FLOWS

	Nine months ended	
	30.9.18 US\$ millions	30.9.17 US\$ millions
OPERATING ACTIVITIES		
Net (loss) / income before tax	(124.9)	78.7
Adjustments to reconcile net income to net cash flow from operating activities:-		
Provision charge for loans and advances	244.0	15.4
Tax paid	(5.4)	(1.4)
Realised losses on debt investment securities	-	0.4
Amortisation of investment securities	6.3	7.9
Amortisation of senior term financing	0.4	0.3
Net increase in statutory deposits with central banks	(40.8)	(31.8)
Net increase in securities purchased under agreements to resell	(637.7)	(220.0)
Net increase in placements	(460.1)	(490.7)
Net decrease / (increase) in trading securities	14.1	(99.0)
Net increase in loans and advances	(480.5)	(555.3)
Increase in accrued interest receivable	(29.9)	(56.6)
Increase in accrued interest payable	34.9	60.7
Net (increase) / decrease in other net assets	(72.9)	46.6
Net increase / (decrease) in deposits from banks	278.4	(340.0)
Net increase in deposits from customers	5,734.9	4,843.9
Net decrease in securities sold under agreement to repurchase	(243.5)	(910.9)
Net cash inflow from operating activities	4,217.3	2,348.2
INVESTING ACTIVITIES		
Purchase of investment securities	(544.6)	(929.5)
Maturity and sale of investment securities	506.0	1,160.5
Net cash (outflow) / inflow from investing activities	(38.6)	231.0
FINANCING ACTIVITIES		
Net (decrease) / increase in senior term financing	(450.0)	997.6
Net cash (outflow) / inflow from financing activities	(450.0)	997.6
Increase in cash and cash equivalents	3,728.7	3,576.8
Cash and cash equivalents at 1st January	3,552.6	2,923.6
Cash and cash equivalents at 30th September	7,281.3	6,500.4

CONSOLIDATED STATEMENT OF INCOME

	Three months ended		Nine months ended	
	30.9.18 US\$ millions	30.9.17 US\$ millions	30.9.18 US\$ millions	30.9.17 US\$ millions
Interest income	197.5	153.8	546.7	436.2
Interest expense	129.7	87.0	341.5	251.0
Net interest income	67.8	66.8	205.2	185.2
Fee and commission income	14.2	19.0	45.2	55.7
Foreign exchange income	6.4	3.4	14.5	10.5
Trading income	0.9	1.7	9.8	11.0
Other income	5.5	3.4	35.4	7.5
Total income	94.8	94.3	310.1	269.9
Staff expenses	37.9	35.9	113.6	105.1
Premises expenses	5.4	5.0	15.9	14.9
Other operating expenses	22.2	19.3	61.5	55.8
Total operating expenses	65.5	60.2	191.0	175.8
Net income before provisions and tax	29.3	34.1	119.1	94.1
Provision release for other assets	1.9	-	-	-
Provision charge for loans and advances	(15.0)	(11.3)	(244.0)	(15.4)
Net income / (loss) before tax	16.2	22.8	(124.9)	78.7
Taxation charge	(1.9)	(2.0)	(5.0)	(4.6)
Net income / (loss)	14.3	20.8	(129.9)	74.1

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended		Nine months ended	
	30.9.18 US\$ millions	30.9.17 US\$ millions	30.9.18 US\$ millions	30.9.17 US\$ millions
Net income / (loss)	14.3	20.8	(129.9)	74.1
Other comprehensive income:-				
Items that may subsequently be reclassified to consolidated statement of income:-				
Cash flow hedges:-				
- net changes in fair value	(0.4)	(0.1)	(2.5)	(0.1)
	(0.4)	(0.1)	(2.5)	(0.1)
Items that will not be reclassified to consolidated statement of income:-				
Net changes in fair value of equity investments classified as fair value through other comprehensive income (FVTOCI)	(1.8)	(4.0)	26.9	(18.3)
Remeasurement of defined benefit pension fund	3.7	4.4	13.6	(3.6)
	1.9	0.4	40.5	(21.9)
Total other comprehensive income / (loss)	1.5	0.3	38.0	(22.0)
Total comprehensive income / (loss)	15.8	21.1	(91.9)	52.1

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital US\$ millions	Reserves US\$ millions	Retained earnings US\$ millions	Total US\$ millions
At 1st January 2018	2,500.0	352.5	(441.6)	2,410.9
Net loss for the period	-	-	(129.9)	(129.9)
Other comprehensive income for the period	-	24.4	13.6	38.0
Total comprehensive income / (loss) for the period	-	24.4	(116.3)	(91.9)
Transfer to retained earnings	-	(2.1)	2.1	-
At 30th September 2018	2,500.0	374.8	(555.8)	2,319.0
At 1st January 2017	2,500.0	364.7	(507.3)	2,357.4
Net income for the period	-	-	74.1	74.1
Other comprehensive loss for the period	-	(18.4)	(3.6)	(22.0)
Total comprehensive (loss) / income for the period	-	(18.4)	70.5	52.1
Transfer to retained earnings	-	(1.2)	1.2	-
At 30th September 2017	2,500.0	345.1	(435.6)	2,409.5

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 30th September 2018 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 31st December 2017, except for the adoption of applicable new accounting standards with effect from 1st January 2018 as referred to in the condensed interim consolidated financial statements.

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

The condensed interim consolidated financial statements were approved by the Board of Directors on 21st October 2018 and signed on its behalf by:-

Abdullah bin Hassan Alabdulgader
Chairman

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