


CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31.12.17 US\$ millions	31.12.16 US\$ millions
ASSETS		
Cash and other liquid assets	3,768.5	3,095.0
Securities purchased under agreements to resell	855.0	635.0
Placements	6,033.2	4,715.3
Trading securities	191.8	91.9
Investment securities	3,993.8	4,066.4
Loans and advances	10,043.1	9,745.1
Other assets	585.9	557.1
Total assets	25,471.3	22,905.8
LIABILITIES		
Deposits from banks	2,129.1	2,554.2
Deposits from customers	15,989.8	13,447.5
Securities sold under agreements to repurchase	1,130.5	1,321.5
Other liabilities	547.4	463.6
Senior term financing	3,263.6	2,761.6
Total liabilities	23,060.4	20,548.4
EQUITY		
Share capital	2,500.0	2,500.0
Reserves	352.5	364.7
Retained earnings	(441.6)	(507.3)
Total equity	2,410.9	2,357.4
Total liabilities & equity	25,471.3	22,905.8

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31.12.17 US\$ millions	Year ended 31.12.16 US\$ millions
OPERATING ACTIVITIES		
Net income before tax	76.6	41.1
Adjustments to reconcile net income to net cash flow from operating activities:-		
Provision charge for investment securities	-	1.3
Provision charge for loans and advances	43.7	38.6
Tax paid	(3.0)	(2.0)
Realised losses / (profits) on debt investment securities	0.4	(1.3)
Amortisation of investment securities	9.8	12.1
Amortisation of senior term financing	0.5	-
Net (increase) / decrease in statutory deposits with central banks	(44.5)	20.8
Net (increase) / decrease in securities purchased under agreements to resell	(220.0)	1,200.0
Net increase in placements	(1,317.9)	(312.4)
Net increase in trading securities	(99.9)	(19.7)
Net increase in loans and advances	(341.7)	(622.3)
Increase in accrued interest receivable	(47.6)	(45.5)
Increase in accrued interest payable	58.0	42.3
Net decrease / (increase) in other net assets	64.4	(70.4)
Net (decrease) / increase in deposits from banks	(425.1)	568.3
Net increase / (decrease) in deposits from customers	2,542.3	(1,235.9)
Net decrease in securities sold under agreement to repurchase	(191.0)	(771.9)
Net cash inflow / (outflow) from operating activities	105.0	(1,156.9)
INVESTING ACTIVITIES		
Purchase of investment securities	(1,370.0)	(1,422.3)
Maturity of investment securities	1,392.5	1,193.7
Net cash inflow / (outflow) from investing activities	22.5	(228.6)
FINANCING ACTIVITIES		
Net increase in senior term financing	501.5	341.6
Net decrease in subordinated term financing	-	(150.0)
Net cash inflow from financing activities	501.5	191.6
Increase / (decrease) in cash and cash equivalents	629.0	(1,193.9)
Cash and cash equivalents at 1st January	2,923.6	4,117.5
Cash and cash equivalents at 31st December	3,552.6	2,923.6

CONSOLIDATED STATEMENT OF INCOME

	Year ended 31.12.17 US\$ millions	Year ended 31.12.16 US\$ millions
Interest income	595.2	469.0
Interest expense	342.1	279.0
Net interest income	253.1	190.0
Fee and commission income	72.6	66.2
Foreign exchange income	14.1	14.4
Trading income	13.0	11.9
Other income	7.5	17.5
Total income	360.3	300.0
Staff expenses	142.6	136.9
Premises expenses	19.6	18.1
Other operating expenses	77.8	64.0
Total operating expenses	240.0	219.0
Net income before provisions and tax	120.3	81.0
Provision charge for investment securities	-	(1.3)
Provision charge for loans and advances	(43.7)	(38.6)
Net income before tax	76.6	41.1
Taxation charge	(6.6)	(3.8)
Net income	70.0	37.3

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31.12.17 US\$ millions	Year ended 31.12.16 US\$ millions
Net income	70.0	37.3
Other comprehensive income:-		
Items that may subsequently be reclassified to consolidated statement of income:-		
Cash flow hedges:-		
- net changes in fair value	(0.5)	-
	(0.5)	-
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)	(17.9)	(14.9)
Remeasurement of defined benefit pension fund	1.9	(27.3)
	(16.0)	(42.2)
Total other comprehensive loss	(16.5)	(42.2)
Total comprehensive income / (loss)	53.5	(4.9)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital US\$ millions	Reserves US\$ millions	Retained earnings US\$ millions	Total US\$ millions
At 1st January 2017	2,500.0	364.7	(507.3)	2,357.4
Net income for the year	-	-	70.0	70.0
Other comprehensive (loss) / income for the year	-	(18.4)	1.9	(16.5)
Total comprehensive (loss) / income for the year	-	(18.4)	71.9	53.5
Transfer from retained earnings	-	7.6	(7.6)	-
Transfer to retained earnings	-	(1.4)	1.4	-
At 31st December 2017	2,500.0	352.5	(441.6)	2,410.9
At 1st January 2016	2,500.0	379.8	(517.5)	2,362.3
Net income for the year	-	-	37.3	37.3
Other comprehensive loss for the year	-	(14.9)	(27.3)	(42.2)
Total comprehensive (loss) / income for the year	-	(14.9)	10.0	(4.9)
Transfer from retained earnings	-	2.6	(2.6)	-
Transfer to retained earnings	-	(2.8)	2.8	-
At 31st December 2016	2,500.0	364.7	(507.3)	2,357.4

ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in conformity with the Bahrain Commercial Companies Law and the Central Bank of Bahrain and Financial Institutions Law. The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of trading securities, equity investment securities, derivative financial instruments and pension liabilities. Recognised assets and liabilities that are hedged by derivative financial instruments are also stated at fair value in respect of the risk that is being hedged. The accounting policies have been consistently applied by the Group and are consistent with those of the previous year.

The consolidated financial statements were approved by the Board of Directors on 16th February 2018 and signed on its behalf by:-

Abdullah bin Hassan Alabdulgader
Chairman

Yahya bin Abdullah Alyahya
Chairman of the Board Audit Committee

Abdulaziz A. Al-Helaissi
Chief Executive Officer

The above has been extracted from the consolidated financial statements, which have been audited by Ernst & Young (EY).
The consolidated financial statements are available on GIB's website at www.gib.com

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GIB is licensed by the Central Bank of Bahrain as a conventional wholesale bank and a conventional retail bank