

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31.12.19 US\$ millions	31.12.18 US\$ millions
ASSETS		
Cash and other liquid assets	8,085.1	5,114.2
Securities purchased under agreements to resell	1,410.0	1,015.9
Placements	6,171.4	6,770.8
Trading securities	142.2	177.7
Investment securities	3,828.4	3,897.2
Loans and advances	9,876.1	9,817.8
Other assets	728.5	752.5
Total assets	30,241.7	27,546.1
LIABILITIES		
Deposits from banks	929.3	2,372.2
Deposits from customers	21,223.3	18,322.4
Securities sold under agreements to repurchase	523.1	735.4
Other liabilities	767.3	581.9
Senior term financing	3,502.4	3,338.0
Total liabilities	26,945.4	25,349.9
EQUITY		
Share capital	2,500.0	2,500.0
Reserves	343.5	361.4
Retained earnings	(547.6)	(665.2)
Equity attributable to the shareholders of the Bank	2,295.9	2,196.2
Non-controlling interest	1,000.4	-
Total equity	3,296.3	2,196.2
Total liabilities & equity	30,241.7	27,546.1

CONSOLIDATED STATEMENT OF INCOME

	Year ended 31.12.19 US\$ millions	Year ended 31.12.18 US\$ millions
Interest income	841.3	764.8
Interest expense	560.9	491.1
Net interest income	280.4	273.7
Fee and commission income	64.7	61.2
Trading income	17.0	9.5
Foreign exchange income	14.2	18.6
Other income	8.4	35.5
Total income	384.7	398.5
Staff expenses	153.3	156.8
Premises expenses	23.0	23.0
Other operating expenses	109.6	85.6
Total operating expenses	285.9	265.4
Net income before provisions and tax	98.8	133.1
Provision charge for loans and advances	(30.3)	(353.1)
Provision release for investment securities	0.2	-
Provision charge for contingent liabilities	(2.4)	-
Provision charge for other assets	(0.1)	(0.2)
Net income / (loss) before tax	66.2	(220.2)
Taxation charge	(3.2)	(6.8)
Net income / (loss)	63.0	(227.0)
Attributable to:		
Shareholders of the Bank	62.0	(227.0)
Non-controlling interest	1.0	-
	63.0	(227.0)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31.12.19 US\$ millions	Year ended 31.12.18 US\$ millions
Net income / (loss)	63.0	(227.0)
Other comprehensive income:-		
Items that may subsequently be reclassified to consolidated statement of income:-		
Cash flow hedges:-		
- net changes in fair value	2.0	(1.4)
	2.0	(1.4)
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)	27.0	11.5
Remeasurement of defined benefit pension fund	8.7	2.2
	35.7	13.7
Total other comprehensive income	37.7	12.3
Total comprehensive income / (loss)	100.7	(214.7)
Attributable to:		
Shareholders of the Bank	99.7	(214.7)
Non-controlling interest	1.0	-
	100.7	(214.7)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to the shareholders of the Bank:					
	Share capital US\$ millions	Reserves US\$ millions	Retained earnings US\$ millions	Total US\$ millions	Non-controlling interest US\$ millions	Total equity US\$ millions
At 1st January 2019	2,500.0	361.4	(665.2)	2,196.2	-	2,196.2
Purchase of shares in subsidiary entity by non-controlling interest	-	-	-	-	999.8	999.8
Net income for the year	-	-	62.0	62.0	1.0	63.0
Other comprehensive income for the year	-	29.4	8.3	37.7	-	37.7
Total comprehensive income for the year	-	29.4	70.3	99.7	1.0	100.7
Foreign exchange translation adjustment	-	-	-	-	(0.4)	(0.4)
Transfer to retained earnings	-	(56.9)	56.9	-	-	-
Transfer from retained earnings	-	9.6	(9.6)	-	-	-
At 31st December 2019	2,500.0	343.5	(547.6)	2,295.9	1,000.4	3,296.3
At 1st January 2018	2,500.0	352.5	(441.6)	2,410.9	-	2,410.9
Net loss for the year	-	-	(227.0)	(227.0)	-	(227.0)
Other comprehensive income for the year	-	10.1	2.2	12.3	-	12.3
Total comprehensive income / (loss) for the year	-	10.1	(224.8)	(214.7)	-	(214.7)
Transfer to retained earnings	-	(1.2)	1.2	-	-	-
At 31st December 2018	2,500.0	361.4	(665.2)	2,196.2	-	2,196.2

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31.12.19 US\$ millions	Year ended 31.12.18 US\$ millions
OPERATING ACTIVITIES		
Net income / (loss) before tax	66.2	(220.2)
Adjustments to reconcile net income to net cash flow from operating activities:-		
Provision charge for loans and advances	30.3	353.1
Provision release for investment securities	(0.2)	-
Provision charge for contingent liabilities	2.4	-
Provision charge for other assets	0.1	0.2
Tax paid	(3.7)	(6.3)
Realised losses on debt investment securities	0.6	-
Amortisation of investment securities	7.3	8.1
Amortisation of senior term financing	0.5	0.5
Net increase in statutory deposits with central banks	(57.5)	(15.1)
Net increase in securities purchased under agreements to resell	(394.1)	(160.9)
Net decrease / (increase) in placements	599.4	(737.6)
Net decrease in trading securities	35.5	14.1
Net increase in loans and advances	(88.6)	(127.8)
Decrease / (increase) in accrued interest receivable	49.7	(51.1)
(Decrease) / increase in accrued interest payable	(47.8)	60.6
Net decrease in other net assets	13.3	29.6
Net (decrease) / increase in deposits from banks	(1,442.9)	243.1
Net increase in deposits from customers	2,900.9	2,332.6
Net decrease in securities sold under agreement to repurchase	(212.3)	(395.1)
Net cash inflow from operating activities	1,459.1	1,327.8
INVESTING ACTIVITIES		
Purchase of investment securities	(510.2)	(610.0)
Maturity of investment securities	669.6	682.2
Net cash inflow from investing activities	159.4	72.2
FINANCING ACTIVITIES		
Issuance of senior term financing	1,090.5	1,016.0
Maturity of senior term financing	(926.6)	(942.1)
Non-controlling interest capital injection	999.8	-
Net cash inflow from financing activities	1,163.7	73.9
Increase in cash and cash equivalents	2,782.2	1,473.9
Net foreign exchange difference	131.2	(143.3)
Cash and cash equivalents at 1st January	4,883.2	3,552.6
Cash and cash equivalents at 31st December	7,796.6	4,883.2

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 as explained in more detail in the following accounting policies. 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, except for the adoption of IFRS 16 - Leases with effect from 1st January 2019.

The consolidated financial statements were approved by the Board of Directors on 18th February 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 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