



## INTERIM STATEMENT OF FINANCIAL POSITION At 30 June 2018

	<i>(Reviewed) 30 June 2018 US\$'000</i>	<i>Audited 31 December 2017 US\$'000</i>
<b>ASSETS</b>		
Cash and balances with Central banks and other banks	346,576	298,349
Deposits with banks and other financial institutions	374,451	409,496
Investments classified as fair value through profit and loss	14,626	20,462
Investment securities	205,159	221,374
Loans and advances	119,830	150,256
Property, equipment and software	10,074	10,371
Interest receivable	6,373	6,744
Other assets	1,247	1,591
<b>TOTAL ASSETS</b>	<b>1,078,336</b>	<b>1,118,643</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
Deposits from banks and other financial institutions	587,686	569,557
Due to banks and other financial institutions	95,796	133,417
Due to customers	95,220	93,805
Interest payable	1,401	1,086
Other liabilities	11,336	6,927
<b>Total liabilities</b>	<b>791,439</b>	<b>804,792</b>
<b>Equity</b>		
Share capital	250,000	250,000
Statutory reserve	21,257	21,257
Retained earnings	24,598	40,399
Fair value reserve	(8,958)	(2,805)
Proposed dividend	-	5,000
<b>Total equity</b>	<b>286,897</b>	<b>313,851</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,078,336</b>	<b>1,118,643</b>

## INTERIM STATEMENT OF CHANGES IN EQUITY Six months ended 30 June 2018 (Reviewed)

	<i>Share capital US\$'000</i>	<i>Statutory reserve US\$'000</i>	<i>Retained earnings US\$'000</i>	<i>Fair value reserve US\$'000</i>	<i>Proposed dividend US\$'000</i>	<i>Total US\$'000</i>
Balance as at 1 January 2018	250,000	21,257	40,399	(2,805)	5,000	313,851
Transition adjustment on adoption of IFRS 9	-	-	(22,547)	2,931	-	(19,616)
At 1 January 2018 - restated	250,000	21,257	17,852	126	5,000	294,235
Net profit for the period	-	-	6,746	-	-	6,746
Other comprehensive loss for the period	-	-	-	(9,084)	-	(9,084)
Dividend Paid	-	-	-	-	(5,000)	(5,000)
At 30 June 2018	250,000	21,257	24,598	(8,958)	-	286,897
Balance as at 1 January 2017	250,000	20,174	35,652	(3,549)	-	302,277
Net profit for the period	-	-	3,486	-	-	3,486
Other comprehensive income for the period	-	-	-	1,282	-	1,282
At 30 June 2017	250,000	20,174	39,138	(2,267)	-	307,045

## INTERIM STATEMENT OF PROFIT OR LOSS Six months ended 30 June 2018 (Reviewed)

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2018 US\$'000</i>	<i>2017 US\$'000</i>	<i>2018 US\$'000</i>	<i>2017 US\$'000</i>
Interest and similar income	10,698	9,847	20,643	18,705
Interest expense	(3,287)	(2,475)	(6,089)	(4,850)
<b>Net interest income</b>	<b>7,411</b>	<b>7,372</b>	<b>14,554</b>	<b>13,855</b>
Fees and commissions income	1,313	1,032	2,114	2,310
Trading income - net	(363)	18	(295)	32
Gain on non-trading investments - net	-	(70)	203	5
Foreign exchange gain - net	90	128	227	492
Other income	24	28	47	51
<b>Operating income</b>	<b>8,475</b>	<b>8,508</b>	<b>16,850</b>	<b>16,745</b>
Provision charge for the period	(1,251)	(2,500)	(2,502)	(7,739)
<b>Net operating income</b>	<b>7,224</b>	<b>6,008</b>	<b>14,348</b>	<b>9,006</b>
Staff costs	2,072	1,897	3,944	3,788
Depreciation	258	269	523	537
Other operating expenses	2,526	604	3,135	1,195
<b>Operating expenses</b>	<b>4,856</b>	<b>2,770</b>	<b>7,602</b>	<b>5,520</b>
<b>NET PROFIT FOR THE PERIOD</b>	<b>2,368</b>	<b>3,238</b>	<b>6,746</b>	<b>3,486</b>

## INTERIM STATEMENT OF COMPREHENSIVE INCOME Six months ended 30 June 2018 (Reviewed)

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2018 US\$'000</i>	<i>2017 US\$'000</i>	<i>2018 US\$'000</i>	<i>2017 US\$'000</i>
<b>Net profit for the period</b>	<b>2,368</b>	<b>3,238</b>	<b>6,746</b>	<b>3,486</b>
<b>Other comprehensive income:</b>				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Unrealised fair value (loss)/gain on investments classified as fair value through other comprehensive income (FVOCI)	(4,483)	(280)	(7,155)	1,282
Provision for impairment on FVOCI	(20)	-	(1,929)	-
<b>Other comprehensive (loss)/income for the period</b>	<b>(4,503)</b>	<b>(280)</b>	<b>(9,084)</b>	<b>1,282</b>
<b>Total comprehensive (loss)/income for the period</b>	<b>(2,135)</b>	<b>2,958</b>	<b>(2,338)</b>	<b>4,768</b>

## INTERIM STATEMENT OF CASH FLOWS Six months ended 30 June 2018 (Reviewed)

	<i>Six months ended 30 June</i>	
	<i>2018 US\$'000</i>	<i>2017 US\$'000</i>
<b>OPERATING ACTIVITIES</b>		
Net profit for the period	6,746	3,486
Adjustments for:		
Provision charge for the period	2,502	7,739
Depreciation	523	537
Amortisation of Investments carried at amortised cost	315	262
Investment income	(203)	-
Unrealised loss on held for trading securities	235	15
Amortisation of assets reclassified as "loans and advances" from trading investments	(424)	(390)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>9,694</b>	<b>11,649</b>
Changes in operating assets and liabilities:		
Deposits with banks and other financial institutions	2,164	39,158
Loans and advances	10,525	16,809
Investments held for trading	5,601	1,567
Interest receivable and other assets	715	(566)
Deposits from banks and other financial institutions	18,129	38,678
Due to banks and other financial institutions	(37,621)	17,954
Due to customers	1,415	2,396
Interest payable and other liabilities	4,717	2,120
<b>Net cash from operating activities</b>	<b>15,339</b>	<b>129,765</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of non-trading investments	(20,734)	(9,903)
Proceeds from disposal/redemption of non-trading investments	26,059	5,000
Purchase of property, equipment and software	(226)	(111)
Net cash from / (used in) investing activities	5,099	(5,014)
<b>FINANCING ACTIVITY</b>		
Dividend paid	(5,000)	-
Net cash used in financing activity	(5,000)	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>15,438</b>	<b>124,751</b>
Cash and cash equivalents at beginning of the period	677,833	651,092
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>693,271</b>	<b>775,843</b>

The above is an extract of interim condensed financial statements for the six month period ended 30 June 2018 which were approved by Board of Directors and on which Ernst & Young, auditors issued an unqualified review report dated 15<sup>th</sup> July 2018

Mr. Moraja G. Solaiman  
Chairman

Mr. Talal Al Zain  
Director

Mr. Hasan Khalifa Abulhasan  
Chief Executive Officer

Alubaf Arab International Bank B.S.C(c)  
Alubaf Tower, Al-Seef District, Kingdom of Bahrain  
P.O. Box 11529, Tel: +973 17 517722, Fax: +973 17 540094  
www.alubafbank.com, Swift: ALUBBHM