



Statement of Financial Position
As at December 31, 2016

	2016	2015
	BD '000	BD '000
ASSETS		
Cash and balances with the Central Bank of Bahrain	16,703	22,358
Due from banks and other financial institutions	46,985	68
Financial assets at fair value through other comprehensive income	160	114
Other financial assets at amortised cost	76,137	70,795
Derivative financial instruments	245	289
Due from other offices of the Bank	73,778	32,308
Direct credit facilities at amortised cost	202,818	175,993
Interest receivable	2,075	1,114
Other assets	996	398
Fixed assets	357	442
Total Assets	420,254	303,779
LIABILITIES AND HEAD OFFICE FUNDS		
Liabilities		
Banks and financial institutions' deposits	1,011	752
Customers' deposits	256,270	230,706
Derivative financial instruments	283	378
Interest payable	1,947	957
Due to other offices of the Bank	123,106	47,245
Borrowing from repurchase agreements	14,427	-
Provision for employees' end-of-service benefits	338	397
Other liabilities	2,726	4,926
Total Liabilities	400,108	285,261
Head Office Funds		
Capital	12,350	11,250
Reserves	484	484
Fair value reserve	152	106
Unremitted profit to Head Office	7,160	6,678
Total Head Office Funds	20,146	18,518
Total Liabilities and Head Office Funds	420,254	303,779

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended December 31, 2016

	2016	2015
	BD '000	BD '000
Interest income	16,308	11,932
Interest expense	(6,261)	(2,750)
Net interest income	10,047	9,182
Net fee and commission income	2,079	1,591
Net gain on exchange	387	276
Other income	697	728
Revenue	13,210	11,777
Operating expenses		
Staff expenses	(2,328)	(2,136)
Depreciation	(157)	(141)
Premises and equipment expenses	(699)	(548)
Other administrative expenses	(1,996)	(1,918)
Operating expenses	(5,180)	(4,743)
Operating profit before provision for credit losses	8,030	7,034
Provision for credit losses - net	(870)	(356)
Profit for the year	7,160	6,678
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss:		
Net change in fair value of financial assets at fair value through other comprehensive income	46	-
Total other comprehensive income for the year	7,206	-
Total comprehensive income for the year	7,206	6,678

The above statement of financial position as at December 31, 2016, and the statement of profit or loss and other comprehensive income, statement of changes in Head Office funds and statement of cash flows for the year then ended have been extracted from the financial statements of Arab Bank Plc, Retail Bank, a branch of Arab Bank Plc, Jordan for the year ended December 31, 2016, which were approved and authorised for issue by the management on February 21st, 2017 and signed on its behalf by Mr. Mohamed Asem Abdelkhalik, Country Manager, and on which an unqualified audit opinion was issued by Deloitte & Touche - Middle East, Kingdom of Bahrain on February 21st, 2017.

Statement of Changes in Head Office Funds
For the Year Ended December 31, 2016

	Capital	Reserves	Fair Value Reserve	Unremitted Profit to Head Office	Total
	BD '000	BD '000	BD '000	BD '000	BD '000
Balance at December 31, 2014	10,950	484	106	4,991	16,531
Total comprehensive income for the year	-	-	-	6,678	6,678
Amount remitted to Head Office	-	-	-	(4,991)	(4,991)
Addition of capital	300	-	-	-	300
Balance at December 31, 2015	11,250	484	106	6,678	18,518
Total comprehensive income for the year	-	-	-	7,160	7,160
Amount remitted to Head Office	-	-	-	(6,678)	(6,678)
Cumulative change in fair value	-	-	46	-	46
Addition of capital	1,100	-	-	-	1,100
Balance at December 31, 2016	12,350	484	152	7,160	20,146

Statement of Cash Flows
For the Year Ended December 31, 2016

	2016	2015
	BD '000	BD '000
Cash flows from operating activities		
Profit for the year	7,160	6,678
Adjustments for:		
Depreciation	157	141
Fixed assets written off	14	5
Provision for credit losses - net	870	356
Provision for employees' end-of-service benefits	41	17
Fair value of derivative financial instruments	(51)	(38)
	8,191	7,159
Decrease in cash compulsory reserve with Central Bank of Bahrain	470	391
Decrease / (increase) in due from other offices of the Bank	11,377	(1,831)
Increase in direct credit facilities at amortised cost	(27,695)	(22,656)
Increase in interest receivable	(961)	(509)
Increase in other assets	(598)	(100)
Increase in customers' deposits	25,564	24,349
Increase in borrowing from repurchase agreements	14,427	-
Increase in interest payable	990	282
Increase / (decrease) in due to other offices of the Bank	16,250	(1,885)
(Decrease) / increase in other liabilities	(3,700)	2,340
Net cash from operating activities	45,795	7,540
Cash flows from investing activities		
Purchase of fixed assets	(86)	(76)
Payments for acquisition of other financial assets at amortised cost	(25,505)	(41,356)
Proceeds from redemption of other financial assets at amortised cost	20,163	44,738
Net cash (used in) / from investing activities	(5,428)	306
Cash flows from financing activity		
Net profit remitted to Head Office	(6,678)	(4,991)
Net cash used in financing activity	(6,678)	(4,991)
Net increase in cash and cash equivalents	33,689	2,855
Cash and cash equivalents at the beginning of the year	(20,810)	(23,665)
Cash and cash equivalents at the end of the year	12,879	(20,810)
Comprising:		
Cash and balances with the Central Bank of Bahrain	8,583	13,768
Balances due from banks	46,985	68
Balances due from other offices of the Bank	61,428	9,581
Balances due to banks	(1,011)	(752)
Balances due to other offices of the Bank	(103,106)	(43,475)
	12,879	(20,810)

Non-cash Transactions:

During the year the Head Office transferred BD 1,100 thousand (2015: BD 300 thousand) towards the increase in the Branch's Capital.

Cash and balances with the Central Bank of Bahrain exclude the cash reserve with the Central Bank of Bahrain amounting to BD 8,120,000 (2015: BD 8,590,000) as this reserve is mandatory and is not available for use in the Branch's day to day operations.