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**ON BEHALF OF THE BOARD OF DIRECTORS,  
I AM HONOURED TO PRESENT THE ANNUAL  
REPORT AND CONSOLIDATED FINANCIAL  
STATEMENTS OF THE ARAB PETROLEUM  
INVESTMENTS CORPORATION (APICORP)  
FOR THE YEAR ENDED 31ST DECEMBER 2016.**

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**Dr Aabed al Saadoun**  
Chairman

For another successive year, APICORP was able to achieve growth and create sustainable value for its shareholders and the Arab energy market in a challenging environment.

We performed solidly towards delivering on our financial targets, achieving a net profit before provisions of US\$ 95.53 million. The value of our total assets increased by 8.7%, reaching US\$ 6.14 billion, compared to US\$ 5.65 billion at the end of the previous year. Shareholder equity increased to US\$ 2.00 billion from US\$ 1.91 billion at the end of 2015. In anticipation of continued economic and political instability in the region, we have added US\$ 2.10 million to our provisions.

Our mission as a multilateral development bank for the Arab world is to develop the energy sector through creative, value-adding solutions, facilitating value maximisation. One of our outstanding achievements in 2016 in alignment with this mission was the launch of a shipping fund in partnership with the National Shipping Company of Saudi Arabia (Bahri), which is set to reduce the country's dependence on external crude carriers, while at the same time advancing the local economy. The fund's target is to acquire approximately 15 very large crude carriers (VLCCs) over three phases with total investments of up to US\$ 1.5 billion composed of debt and equity.

As part of our strategic focus on diversifying funding sources, assets and investments, APICORP also acquired a controlling interest in Ashtead Technology, in partnership with UK based private equity firm Buckthorn Partners. Ashtead Technology is a leading independent provider of subsea equipment and rental services to the offshore oil and gas industry, with operations in the UK, Houston and Singapore.

At the end of 2016, our Corporate Finance portfolio had increased to US\$ 3.47 billion from US\$ 3.02 billion in 2015. Over the course of the year, APICORP played a vital role in more than 40 transactions, supporting projects across the Arab region with tailored financing solutions.

In Treasury and Capital Markets, the year 2016 saw APICORP build strong relationships with new investors based on our outstanding achievements. As part of our US\$ 3 billion Sukuk programme aimed at diversifying our funding sources and reducing the overall cost of financing announced in 2015, we successfully listed our US\$ 500 million Sukuk at Nasdaq Dubai, followed by a SAR 250 million Murabaha Sukuk in 2016. We also issued a US\$ 300 million 5-year floating rate note as the first Formosa bond out of Saudi Arabia targeting Taiwanese investors.

APICORP's resilience and achievements have been recognized by the credit rating agency Moody's. In September 2016, Moody's affirmed its long term Aa3 issuer rating for APICORP and maintained its stable outlook, noting that the increase in callable capital and improvements in the asset and liability maturity mismatch support APICORP's credit profile.

I am delighted to welcome Dr Ahmed Ali Attiga to the Board as our new Chief Executive and General Manager. As one of the most high-profile professionals in the regional industry, Dr Attiga has an outstanding track record of accelerating growth and driving transformation. We have placed the next chapter of APICORP's continued successful development in his experienced hands and are certain the corporation will benefit from his leadership.

On behalf of the Board of Directors and all APICORP employees, I would like to extend our deepest gratitude to the governments of our ten member states, who have been supporting our Corporation since inception. Special thanks go to the government of the Kingdom of Saudi Arabia for their continued trust and collaboration.



**Dr Aabed Al Saadoun**  
Chairman

*Our mission as a multilateral development bank for the Arab world is to develop the energy sector through creative, value-adding solutions, facilitating value maximisation*

**US\$ 95.53m**

NET PROFIT FOR THE YEAR  
BEFORE PROVISIONS.