



المؤسسة العربية المصرفية (ش.م.ب)
ARAB BANKING CORPORATION [B.S.C.]

FIRST QUARTER
FINANCIAL RESULTS
31 March 2014

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2014	All figures in US\$ million	
	Unaudited 31 March 2014	Audited 31 December 2013
ASSETS		
Liquid funds	1,327	1,055
Trading securities	200	194
Placements with banks and other financial institutions	5,222	5,018
Securities bought under repurchase agreements	600	349
Non-trading securities	4,945	5,116
Loans and advances	14,351	13,653
Interest receivable	379	345
Other assets	767	685
Premises and equipment	130	130
TOTAL ASSETS	27,921	26,545
LIABILITIES		
Deposits from customers	13,929	13,030
Deposits from banks and other financial institutions	5,547	5,255
Certificates of deposit	31	29
Securities sold under repurchase agreements	251	175
Interest payable	299	274
Taxation	68	76
Other liabilities	698	584
TERM NOTES, BONDS AND OTHER TERM FINANCING	2,763	2,763
Total liabilities	23,586	22,186
EQUITY		
Share capital	3,110	3,110
Reserves	787	830
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	3,897	3,940
Non-controlling interests	438	419
Total equity	4,335	4,359
TOTAL LIABILITIES AND EQUITY	27,921	26,545

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Three-month period ended 31 March 2014	All figures in US\$ million	
	Unaudited Three months ended 31 March 2014	2013
OPERATING ACTIVITIES		
Net cash used in operating activities	(31)	(215)
INVESTING ACTIVITIES		
Net cash from (used in) investing activities	168	(263)
FINANCING ACTIVITIES		
Net cash used in financing activities	(3)	(5)
Net change in cash and cash equivalents	134	(483)
Effect of exchange rate changes on liquid funds	5	(30)
Cash and cash equivalents at beginning of the period	866	1,243
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	1,005	730

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Three-month period ended 31 March 2014	Equity attributable to the shareholders of the parent							Non-controlling interests	Total equity	
	Share capital	Statutory reserve	General reserve	Retained earnings*	Foreign exchange translation adjustments	Cumulative changes in fair value	Pension fund reserve			Total
At 31 December 2013	3,110	400	150	555	(224)	(32)	(19)	3,940	419	4,359
Profit for the period	-	-	-	71	-	-	-	71	15	86
Other comprehensive income for the period	-	-	-	-	21	19	1	41	11	52
Total comprehensive income for the period	-	-	-	71	21	19	1	112	26	138
Dividend**	-	-	-	(156)	-	-	-	(156)	-	(156)
Transfers during the period	-	-	(50)	50	-	-	-	-	-	-
Other equity movements in subsidiaries	-	-	-	1	-	-	-	1	(7)	(6)
At 31 March 2014 (unaudited)	3,110	400	100	521	(203)	(13)	(18)	3,897	438	4,335
At 31 December 2012	3,110	376	150	340	(132)	(48)	(18)	3,778	426	4,204
Profit for the period	-	-	-	56	-	-	-	56	13	69
Other comprehensive (loss) income for the period	-	-	-	-	(9)	3	-	(6)	5	(1)
Total comprehensive income (loss) for the period	-	-	-	56	(9)	3	-	50	18	68
Other equity movements in subsidiaries	-	-	-	-	-	-	-	-	1	1
At 31 March 2013 (unaudited)	3,110	376	150	396	(141)	(45)	(18)	3,828	445	4,273

* Retained earnings include non-distributable reserves arising from consolidation of subsidiaries amounting to US\$ 406 million (31 December 2013: US\$ 406 million).

** A dividend of US\$0.05 per share has been approved for payment at the Annual Ordinary General Meeting held on 23 March 2014.

The above interim consolidated statement of financial position, interim consolidated statement of income, interim consolidated statement of comprehensive income, interim condensed consolidated statement of cash flows and interim consolidated statement of changes in equity have been extracted from the Interim Condensed Consolidated Financial Statements of Arab Banking Corporation (B.S.C) for the period ended 31st March 2014, which were approved by the Board of Directors and on which an unqualified review conclusion was issued by Ernst & Young, Kingdom of Bahrain, on 28th April 2014.

INTERIM CONSOLIDATED STATEMENT OF INCOME

Three-month period ended 31 March 2014	All figures in US\$ million	
	Unaudited Three months ended 31 March 2014	2013
OPERATING INCOME		
Interest and similar income	272	248
Interest and similar expense	(140)	(124)
Net interest income	132	124
Other operating income	94	107
Total operating income	226	231
Impairment provisions - net	(8)	(28)
NET OPERATING INCOME AFTER PROVISIONS	218	203
OPERATING EXPENSES		
Staff	73	80
Premises and equipment	9	12
Other	21	21
Total operating expenses	103	113
PROFIT BEFORE TAXATION	115	90
Taxation on foreign operations	(29)	(21)
PROFIT FOR THE PERIOD	86	69
Income attributable to non-controlling interests	(15)	(13)
PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	71	56
BASIC AND DILUTED EARNINGS PER SHARE (EXPRESSED IN US\$)	0.02	0.02

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Three-month period ended 31 March 2014	All figures in US\$ million	
	Unaudited Three months ended 31 March 2014	2013
PROFIT FOR THE PERIOD	86	69
Other comprehensive income:		
<i>Other comprehensive income that could be reclassified (or recycled) to profit or loss in subsequent periods:</i>		
Net fair value movements during the period after impairment effect	17	-
Amortisation of fair value shortfall on reclassified securities	2	3
Unrealised gain (loss) on exchange translation of foreign subsidiaries	32	(4)
	51	(1)
<i>Other comprehensive income that cannot be reclassified (or recycled) to profit or loss in subsequent periods:</i>		
Net change in pension fund reserve	1	-
	1	-
Total other comprehensive income (loss) for the period	52	(1)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	138	68
Total comprehensive income attributable to non-controlling interests	(26)	(18)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	112	50