



INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2014 (reviewed)

All figures in US\$ million

	Reviewed	
	30 June 2014	31 December 2013
ASSETS		
Liquid funds	1,239	1,055
Trading securities	417	194
Placements with banks and other financial institutions	4,788	5,018
Securities bought under repurchase agreements	629	349
Non-trading securities	4,768	5,116
Loans and advances	14,893	13,653
Interest receivable	413	345
Other assets	787	685
Premises and equipment	134	130
TOTAL ASSETS	28,068	26,545
LIABILITIES		
Deposits from customers	13,859	13,030
Deposits from banks and other financial institutions	5,843	5,255
Certificates of deposit	38	29
Securities sold under repurchase agreements	240	175
Interest payable	319	274
Taxation	80	76
Other liabilities	484	584
TERM NOTES, BONDS AND OTHER TERM FINANCING	2,765	2,763
Total liabilities	23,628	22,186
EQUITY		
Share capital	3,110	3,110
Reserves	870	830
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	3,980	3,940
Non-controlling interests	460	419
Total equity	4,440	4,359
TOTAL LIABILITIES AND EQUITY	28,068	26,545

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six-month period ended 30 June 2014 (reviewed)

All figures in US\$ million

	Reviewed	
	Three months ended 30 June 2014	Six months ended 30 June 2013
OPERATING ACTIVITIES		
Net cash (used in) from operating activities	(474)	108
INVESTING ACTIVITIES		
Net cash from (used in) investing activities	357	(600)
FINANCING ACTIVITIES		
Net cash used in financing activities	(157)	(18)
Net change in cash and cash equivalents	(274)	(510)
Effect of exchange rate changes on liquid funds	4	(40)
Cash and cash equivalents at beginning of the period	866	1,243
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	596	693

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six-month period ended 30 June 2014 (reviewed)

All figures in US\$ million

	Attributable to 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	-	-	-	137	-	-	-	137	31	168
Other comprehensive income for the period	-	-	-	-	35	22	1	58	22	80
Total comprehensive income for the period	-	-	-	137	35	22	1	195	53	248
Dividend paid	-	-	-	(156)	-	-	-	(156)	-	(156)
Transfers during the period	-	-	(50)	50	-	-	-	-	-	-
Other equity movements in subsidiaries	-	-	-	1	-	-	-	1	(12)	(11)
At 30 June 2014 (reviewed)	3,110	400	100	587	(189)	(10)	(18)	3,980	460	4,440
At 31 December 2012	3,110	376	150	340	(132)	(48)	(18)	3,778	426	4,204
Profit for the period	-	-	-	112	-	-	-	112	28	140
Other comprehensive loss for the period	-	-	-	-	(63)	(7)	(1)	(71)	(29)	(100)
Total comprehensive income (loss) for the period	-	-	-	112	(63)	(7)	(1)	41	(1)	40
Other equity movements in subsidiaries	-	-	-	-	-	-	-	-	(9)	(9)
At 30 June 2013 (reviewed)	3,110	376	150	452	(195)	(55)	(19)	3,819	416	4,235

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

INTERIM CONSOLIDATED STATEMENT OF INCOME

Six-month period ended 30 June 2014 (reviewed)

All figures in US\$ million

	Reviewed			
	Three months ended 30 June		Six months ended 30 June	
	2014	2013	2014	2013
OPERATING INCOME				
Interest and similar income	292	246	564	494
Interest and similar expense	(154)	(124)	(294)	(248)
Net interest income	138	122	270	246
Other operating income	104	88	198	195
Total operating income	242	210	468	441
Impairment provisions - net	(19)	(10)	(27)	(38)
NET OPERATING INCOME AFTER PROVISIONS	223	200	441	403
OPERATING EXPENSES				
Staff	80	84	153	164
Premises and equipment	9	9	18	21
Other	24	22	45	43
Total operating expenses	113	115	216	228
PROFIT BEFORE TAXATION	110	85	225	175
Taxation on foreign operations	(28)	(14)	(57)	(35)
PROFIT FOR THE PERIOD	82	71	168	140
Profit attributable to non-controlling interests	(16)	(15)	(31)	(28)
PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	66	56	137	112
BASIC AND DILUTED EARNINGS PER SHARE (EXPRESSED IN US\$)	0.02	0.02	0.04	0.04

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six-month period ended 30 June 2014 (reviewed)

All figures in US\$ million

	Reviewed			
	Three months ended 30 June		Six months ended 30 June	
	2014	2013	2014	2013
PROFIT FOR THE PERIOD	82	71	168	140
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	-	(14)	17	(14)
Amortisation of fair value shortfall on reclassified securities	3	4	5	7
Unrealised gain (loss) on exchange translation of foreign subsidiaries	25	(88)	57	(92)
	28	(98)	79	(99)
<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	(1)
	-	(1)	1	(1)
Total other comprehensive income (loss) for the period	28	(99)	80	(100)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	110	(28)	248	40
Attributable to non-controlling interests	(27)	19	(53)	1
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	83	(9)	195	41

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 Consolidated Financial Statements of Arab Banking Corporation (B.S.C) for the period ended 30th June 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 12th August 2014.