



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

YEAR END 2014  
FINANCIAL RESULTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2014

All figures in US\$ Million

	2014	2013
<b>ASSETS</b>		
Liquid funds	909	1,055
Trading securities	539	194
Placements with banks and other financial institutions	5,870	5,018
Securities bought under repurchase agreements	987	349
Non-trading securities	4,627	5,116
Loans and advances	14,819	13,653
Interest receivable	387	345
Other assets	1,090	685
Premises and equipment	128	130
<b>TOTAL ASSETS</b>	<b>29,356</b>	<b>26,545</b>
<b>LIABILITIES</b>		
Deposits from customers	13,945	13,030
Deposits from banks and other financial institutions	5,668	5,255
Certificates of deposit	47	29
Securities sold under repurchase agreements	87	175
Interest payable	319	274
Taxation	51	76
Other liabilities	922	584
TERM NOTES, BONDS AND OTHER TERM FINANCING	3,891	2,763
<b>Total liabilities</b>	<b>24,930</b>	<b>22,186</b>
<b>EQUITY</b>		
Share capital	3,110	3,110
Reserves	896	830
<b>EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT</b>	<b>4,006</b>	<b>3,940</b>
Non-controlling interests	420	419
<b>Total equity</b>	<b>4,426</b>	<b>4,359</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>29,356</b>	<b>26,545</b>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2014

All figures in US\$ Million

	2014	2013
<b>OPERATING ACTIVITIES</b>		
Net cash used in operating activities	(1,435)	(585)
<b>INVESTING ACTIVITIES</b>		
Net cash from (used in) investing activities	390	(748)
<b>FINANCING ACTIVITIES</b>		
Net cash from financing activities	974	977
Net change in liquid funds	(71)	(356)
Effect of exchange rate changes on liquid funds	(36)	(21)
Cash and cash equivalents at beginning of the year	866	1,243
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>759</b>	<b>866</b>

CONSOLIDATED STATEMENT OF INCOME

Year ended 31 December 2014

All figures in US\$ Million

	2014	2013
<b>OPERATING INCOME</b>		
Interest and similar income	1,147	1,027
Interest and similar expense	(606)	(523)
<b>Net interest income</b>	<b>541</b>	<b>504</b>
Other operating income	347	353
<b>Total operating income</b>	<b>888</b>	<b>857</b>
Impairment provisions - net	(64)	(49)
<b>NET OPERATING INCOME AFTER PROVISIONS</b>	<b>824</b>	<b>808</b>
<b>OPERATING EXPENSES</b>		
Staff	304	314
Premises and equipment	35	37
Other	100	89
Total operating expenses	439	440
<b>PROFIT BEFORE TAXATION</b>	<b>385</b>	<b>368</b>
Taxation on foreign operations	(67)	(71)
<b>PROFIT FOR THE YEAR</b>	<b>318</b>	<b>297</b>
Income attributable to non-controlling interests	(62)	(58)
<b>PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT</b>	<b>256</b>	<b>239</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE (EXPRESSED IN US\$)</b>	<b>0.08</b>	<b>0.08</b>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2014

All figures in US\$ Million

	2014	2013
<b>PROFIT FOR THE YEAR</b>	<b>318</b>	<b>297</b>
<b>Other comprehensive income:</b>		
<i>Other comprehensive income that could be reclassified (or recycled) to profit or loss in subsequent periods:</i>		
Net fair value movements during the year after impairment effect	18	4
Amortisation of fair value shortfall on reclassified securities	7	12
Unrealised loss on exchange translation in foreign subsidiaries	(110)	(146)
	(85)	(130)
<i>Other comprehensive income that cannot be reclassified (or recycled) to profit or loss in subsequent periods:</i>		
Net change in pension fund reserve	(4)	(1)
	(4)	(1)
Total other comprehensive loss for the year	(89)	(131)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>229</b>	<b>166</b>
Total comprehensive income attributable to non-controlling interests	(12)	(4)
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</b>	<b>217</b>	<b>162</b>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2014

All figures in US\$ Million

	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 2012	3,110	376	150	340	(132)	(48)	(18)	3,778	426	4,204
Profit for the year	-	-	-	239	-	-	-	239	58	297
Other comprehensive (loss) income for the year	-	-	-	-	(92)	16	(1)	(77)	(54)	(131)
Total comprehensive income (loss) for the year	-	-	-	239	(92)	16	(1)	162	4	166
Transfers during the year	-	24	-	(24)	-	-	-	-	-	-
Other equity movements in subsidiaries	-	-	-	-	-	-	-	-	(11)	(11)
At 31 December 2013	3,110	400	150	555	(224)	(32)	(19)	3,940	419	4,359
Profit for the year	-	-	-	256	-	-	-	256	62	318
Other comprehensive (loss) income for the year	-	-	-	-	(60)	25	(4)	(39)	(50)	(89)
Total comprehensive income (loss) for the year	-	-	-	256	(60)	25	(4)	217	12	229
Dividend paid	-	-	-	(156)	-	-	-	(156)	-	(156)
Transfers during the year	-	26	(50)	24	-	-	-	-	-	-
Other equity movements in subsidiaries	-	-	-	5	-	-	-	5	(11)	(6)
At 31 December 2014	3,110	426	100	684	(284)	(7)	(23)	4,006	420	4,426

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

The above consolidated statement of financial position, consolidated statement of income, consolidated statement of comprehensive income, condensed consolidated statement of cash flows and the consolidated statement of changes in equity have been extracted from the Consolidated Financial Statements of Arab Banking Corporation (B.S.C.) for the year ended 31 December 2014, which were approved by the Board of Directors and on which an unqualified audit opinion was issued by Ernst & Young, Kingdom of Bahrain, on 28th February 2015.