



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2013

All figures in US\$ Million

	2013	2012 Restated *
ASSETS		
Liquid funds	1,055	1,532
Trading securities	194	64
Placements with banks and other financial institutions	5,018	4,334
Securities bought under repurchase agreements	349	578
Non-trading securities	5,116	4,005
Loans and advances	13,653	12,860
Interest receivable	345	364
Other assets	685	674
Premises and equipment	130	116
TOTAL ASSETS	26,545	24,527
LIABILITIES		
Deposits from customers	13,030	12,029
Deposits from banks and other financial institutions	5,255	5,142
Certificates of deposit	29	35
Securities sold under repurchase agreements	175	419
Interest payable	274	245
Taxation	76	119
Other liabilities	584	552
TERM NOTES, BONDS AND OTHER TERM FINANCING	2,763	1,782
Total liabilities	22,186	20,323
EQUITY		
Share capital	3,110	3,110
Reserves	830	668
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	3,940	3,778
Non-controlling interests	419	426
Total equity	4,359	4,204
TOTAL LIABILITIES AND EQUITY	26,545	24,527

*Restatement as described in note 3.1 of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2013

All figures in US\$ Million

	2013	2012
OPERATING ACTIVITIES		
Net cash used in operating activities	(585)	(2,186)
INVESTING ACTIVITIES		
Net cash (used in) from investing activities	(748)	2,169
FINANCING ACTIVITIES		
Net cash from financing activities	977	282
Net change in liquid funds	(356)	265
Effect of exchange rate changes on liquid funds	(21)	13
Cash and cash equivalents at beginning of the year	1,243	965
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	866	1,243

CONSOLIDATED STATEMENT OF INCOME

Year ended 31 December 2013

All figures in US\$ Million

	2013	2012
OPERATING INCOME		
Interest and similar income	1,027	1,061
Interest and similar expense	(523)	(540)
Net interest income	504	521
Other operating income	353	295
Total operating income	857	816
Impairment provisions - net	(49)	(62)
NET OPERATING INCOME AFTER PROVISIONS	808	754
OPERATING EXPENSES		
Staff	314	279
Premises and equipment	37	37
Other	89	87
Total operating expenses	440	403
PROFIT BEFORE TAXATION	368	351
Taxation on foreign operations	(71)	(88)
PROFIT FOR THE YEAR	297	263
Income attributable to non-controlling interests	(58)	(58)
PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	239	205
BASIC AND DILUTED EARNINGS PER SHARE (EXPRESSED IN US\$)	0.08	0.07

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2013

All figures in US\$ Million

	2013	2012
PROFIT FOR THE YEAR	297	263
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 year after impairment effect	4	33
Amortisation of fair value shortfall on reclassified securities	12	15
Unrealised loss on exchange translation in foreign subsidiaries	(146)	(87)
	(130)	(39)
<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)	(4)
	(1)	(4)
Total other comprehensive loss for the year	(131)	(43)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	166	220
Total comprehensive income attributable to non-controlling interests	(4)	(26)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	162	194

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2013

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 2011	3,110	355	150	156	(77)	(96)	-	3,598	421	4,019
Impact of adopting amendments to IAS 19R at 1 January 2012	-	-	-	-	-	-	(14)	(14)	-	(14)
	3,110	355	150	156	(77)	(96)	(14)	3,584	421	4,005
Profit for the year	-	-	-	205	-	-	-	205	58	263
Other comprehensive (loss) income for the year	-	-	-	-	(55)	48	(4)	(11)	(32)	(43)
Total comprehensive income (loss) for the year	-	-	-	205	(55)	48	(4)	194	26	220
Transfers during the year	-	21	-	(21)	-	-	-	-	-	-
Other equity movements in subsidiaries	-	-	-	-	-	-	-	-	(21)	(21)
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

* Retained earnings include non-distributable reserves arising from consolidation of subsidiaries amounting to US\$ 406 million (2012: US\$ 406 million).

The above consolidated statement of financial position, consolidated statement of income, condensed consolidated statement of cash flows, consolidated statement of comprehensive income 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 2013, which were approved by the Board of Directors and on which an unqualified audit opinion was issued by Ernst & Young, Kingdom of Bahrain, on 17th February 2014.