

Arab Banking Corporation (B.S.C.)

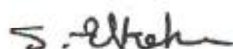
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2013 (Unaudited)

All figures in US\$ million

	Unaudited 31 March 2013	Audited 31 December 2012
ASSETS		
Liquid funds	975	1,532
Trading securities	145	64
Placements with banks and other financial institutions	4,569	4,334
Securities bought under repurchase agreements	436	578
Non-trading securities	4,447	4,005
Loans and advances	13,371	12,860
Interest receivable	374	364
Other assets	699	674
Premises and equipment	112	116
TOTAL ASSETS	25,128	24,527
LIABILITIES		
Deposits from customers	12,729	12,029
Deposits from banks and other financial institutions	5,082	5,142
Certificates of deposit	33	35
Securities sold under repurchase agreements	373	419
Interest payable	224	245
Taxation	61	119
Other liabilities	563	534
TERM NOTES, BONDS AND OTHER TERM FINANCING	1,772	1,782
Total liabilities	20,837	20,305
EQUITY		
Share capital	3,110	3,110
Reserves	736	686
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	3,846	3,796
Non-controlling interests	445	426
Total equity	4,291	4,222
TOTAL LIABILITIES AND EQUITY	25,128	24,527

These interim condensed consolidated financial statements were authorised for issue by the Board of Directors on 28 April 2013 and signed on their behalf by the Chairman and the Acting President & Chief Executive.



Saddek El Kaber
Chairman



Khaled Kawan
Acting President & Chief Executive

The attached notes 1 to 5 form part of these interim condensed consolidated financial statements

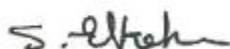
Arab Banking Corporation (B.S.C.)

INTERIM CONSOLIDATED STATEMENT OF INCOME

Three-month period ended 31 March 2013 (Unaudited)

All figures in US\$ million

	<i>Three months ended 31 March</i>	
	2013	2012
OPERATING INCOME		
Interest and similar income	248	280
Interest and similar expense	(124)	(144)
Net interest income	124	136
Other operating income	107	78
Total operating income	231	214
Impairment provisions - net	(28)	(15)
NET OPERATING INCOME AFTER PROVISIONS	203	199
OPERATING EXPENSES		
Staff	80	68
Premises and equipment	12	9
Other	21	22
Total operating expenses	113	99
PROFIT BEFORE TAXATION	90	100
Taxation on foreign operations	(21)	(30)
PROFIT FOR THE PERIOD	69	70
Income attributable to non-controlling interests	(13)	(16)
PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	56	54
BASIC AND DILUTED EARNINGS PER SHARE (EXPRESSED IN US\$)	0.02	0.02



Saddek El Kaber
Chairman



Khaled Kawan
Acting President & Chief Executive

The attached notes 1 to 5 form part of these interim condensed consolidated financial statements

Arab Banking Corporation (B.S.C.)

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Three-month period ended 31 March 2013 (Unaudited)

All figures in US\$ million

	<i>Three months ended 31 March</i>	
	2013	2012
PROFIT FOR THE PERIOD	69	70
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	-	3
Unrealised (loss) gain on exchange translation of foreign subsidiaries	(4)	23
Amortisation of fair value shortfall on reclassified securities	3	7
Net other comprehensive (loss) income that could be reclassified (or recycled) to profit or loss in subsequent periods	(1)	33
Total other comprehensive (loss) income for the period	(1)	33
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	68	103
Total comprehensive loss attributable to non-controlling interests	(18)	(27)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	50	76

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Arab Banking Corporation (B.S.C.)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Three-month period ended 31 March 2013 (Unaudited)

All figures in US\$ million

	Three months ended 31 March	
	2013	2012
OPERATING ACTIVITIES		
Profit for the period	69	70
Adjustments for:		
Impairment provisions - net	28	15
Depreciation and amortisation	3	3
Amortisation of fair value shortfall on reclassified securities	3	7
Changes in operating assets and liabilities:		
Treasury bills and other eligible bills	44	(17)
Trading securities	(80)	(33)
Placements with banks and other financial institutions	(337)	(1,048)
Securities bought under repurchase agreements	151	(540)
Loans and advances	(681)	(393)
Interest receivable and other assets	(41)	33
Deposits from customers	878	848
Deposits from banks and other financial institutions	(13)	1,351
Securities sold under repurchase agreements	(46)	(1,694)
Interest payable and other liabilities	(47)	(32)
Other non-cash movements	(146)	(78)
Net cash used in operating activities	(215)	(1,508)
INVESTING ACTIVITIES		
Purchase of non-trading securities	(651)	(293)
Sale and redemption of non-trading securities	393	1,533
Purchase of premises and equipment	(4)	(3)
Sale of premises and equipment	2	1
Additional investment in a subsidiary	(3)	-
Net cash (used in) from investing activities	(263)	1,238
FINANCING ACTIVITIES		
(Redemption) Issue of certificates of deposit - net	(1)	5
Repayment of other term notes, bonds and other term financing - net	-	(5)
Dividend paid to non-controlling interests	(4)	(4)
Net cash used in financing activities	(5)	(4)
Net change in liquid funds	(483)	(274)
Effect of exchange rate changes on liquid funds	(30)	17
Cash and cash equivalents at beginning of the period	1,243	965
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	730	708

The attached notes 1 to 5 form part of these interim condensed consolidated financial statements

Arab Banking Corporation (B.S.C.)

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Three-month period ended 31 March 2013 (Unaudited)

All figures in US\$ million

	Attributable to shareholders of the parent						Non-controlling	Total
	Share capital	Statutory reserve	General reserve	Retained earnings*	Foreign exchange translation adjustments	Cumulative changes in fair value	interests	equity
Balance at 31 December 2012	3,110	376	150	340	(132)	(48)	3,796	426
Profit for the period	-	-	-	56	-	-	56	13
Other comprehensive (loss) income for the period	-	-	-	-	(9)	3	(6)	5
Total comprehensive income (loss) for the period	-	-	-	56	(9)	3	50	18
Other equity movements in subsidiaries	-	-	-	-	-	-	-	1
Balance at 31 March 2013	3,110	376	150	396	(141)	(45)	3,846	445
Balance at 31 December 2011	3,110	355	150	156	(77)	(96)	3,598	421
Profit for the period	-	-	-	54	-	-	54	16
Other comprehensive income for the period	-	-	-	-	12	10	22	11
Total comprehensive income for the period	-	-	-	54	12	10	76	27
Other equity movements in subsidiaries	-	-	-	-	-	-	-	(4)
Balance at 31 March 2012	3,110	355	150	210	(65)	(86)	3,674	444

* Retained earnings include non-distributable reserves arising from consolidation of subsidiaries amounting to US\$ 406 million (31 December 2012: US\$ 406 million).

The attached notes 1 to 5 form part of these interim condensed consolidated financial statements