

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Six month period ended 30 June 2010 (Unaudited)

CONSOLIDATED STATEMENT OF INCOME

	Three months ended 30 June		Six months ended 30 June	
	2010	2009	2010	2009
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Net interest income	122,066	117,330	239,232	224,358
Other operating income	52,272	82,273	119,696	187,882
TOTAL OPERATING INCOME	174,338	199,603	358,928	412,240
Provisions for loan losses and contingencies - net	28,422	80,902	80,198	127,976
NET OPERATING INCOME	145,916	118,701	278,730	284,264
TOTAL OPERATING EXPENSES	62,783	56,395	121,646	116,817
PROFIT BEFORE TAX	83,133	62,306	157,084	167,447
NET PROFIT AFTER TAX	78,461	64,257	149,961	167,652
Attributable to:				
Bank's equity shareholders	70,192	57,603	135,893	143,542
Non-controlling interest	8,269	6,654	14,068	24,110
	78,461	64,257	149,961	167,652

EARNINGS PER SHARE ATTRIBUTABLE TO BANK'S EQUITY SHAREHOLDERS

	2010	2009	2010	2009
Basic and diluted earnings per share (US cents)	1.4	1.2	2.8	3.0

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 30 June		Six months ended 30 June	
	2010	2009	2010	2009
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Net profit for the period	78,461	64,257	149,961	167,652
Other comprehensive income				
Directors' fees paid and donations approved	-	-	(2,211)	(2,168)
Currency translation adjustments	(9,785)	22,030	(31,256)	(44,369)
Net fair value movements	(61,913)	140,755	(35,067)	178,117
Revaluation of freehold land	(6)	349	(40)	(1,688)
Sale of treasury shares	-	-	119	-
Total comprehensive income	6,757	227,391	81,506	297,544
Total comprehensive (loss) / income attributable to:				
Bank's equity shareholders	(1,604)	212,262	66,176	294,272
Non-controlling interest	8,361	15,129	15,330	3,272
	6,757	227,391	81,506	297,544

CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2010	2009
	US\$ '000	US\$ '000
Net cash from (used in) operating activities	110,818	(559,002)
Net cash used in investing activities	(377,066)	(134,146)
Net cash used in financing activities	(92,432)	(159,662)
Foreign currency translation adjustments	(31,256)	(44,369)
DECREASE IN CASH AND CASH EQUIVALENTS	(389,936)	(897,179)
Cash and cash equivalents at 1 January	2,179,476	2,446,908
CASH AND CASH EQUIVALENTS AT 30 JUNE	1,789,540	1,549,729

Fahad Al-Rajaan
Chairman

Hamad Al-Marzouq
Deputy Chairman

Adel A. El-Labban
Group Chief Executive Officer
& Managing Director

CONSOLIDATED BALANCE SHEET

	30 June	Audited 31 December
	2010	2009
	US\$ '000	US\$ '000
ASSETS		
Cash and balances with central banks	320,843	304,164
Treasury bills and bonds	359,983	969,114
Trading securities	129	376
Deposits with banks and other financial institutions	4,036,859	3,100,446
Loans and advances	13,967,498	13,299,999
Non-trading investments	4,213,481	3,898,592
Investment in associates and joint venture	575,631	537,099
Premises and equipment	356,092	355,956
Other assets	542,939	483,951
Goodwill and other intangible assets	708,859	624,286
TOTAL ASSETS	25,082,314	23,573,983
LIABILITIES AND EQUITY		
LIABILITIES		
Deposits from banks and other financial institutions	5,954,825	5,549,518
Customers' deposits	14,258,025	13,241,266
Term debts	942,923	950,054
Other liabilities	755,347	649,498
Subordinated liabilities	617,787	602,216
TOTAL LIABILITIES	22,528,907	20,992,552
EQUITY		
Ordinary share capital	1,223,189	1,193,589
Preference share capital	-	6,321
Reserves	974,936	1,013,613
Attributable to the Bank's equity shareholders	2,198,125	2,213,523
Non-controlling interest	355,282	367,908
TOTAL EQUITY	2,553,407	2,581,431
TOTAL LIABILITIES AND EQUITY	25,082,314	23,573,983

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	2010	2009
	US\$ '000	US\$ '000
BALANCE AT 1 JANUARY ATTRIBUTABLE TO THE BANK'S EQUITY SHAREHOLDERS	2,213,523	1,995,435
Total comprehensive income	66,176	294,272
Class B preference share dividend paid	(1,129)	(3,493)
Ordinary share dividend paid	(97,043)	(112,658)
Class B preference shares surrendered	-	(2,835)
Equity shares surrendered	(1,608)	-
Issue of shares on AUB Egypt acquisition	35,422	-
Additional acquisition in subsidiaries	(16,273)	-
Treasury shares sold/(purchased)	1,665	(1,665)
Other equity movements of a subsidiary	(2,608)	-
BALANCE AT 30 JUNE ATTRIBUTABLE TO THE BANK'S EQUITY SHAREHOLDERS	2,198,125	2,169,056
NON-CONTROLLING INTEREST	355,282	376,266
TOTAL EQUITY AT 30 JUNE	2,553,407	2,545,322

BAHRAIN

KUWAIT

QATAR

OMAN

EGYPT

IRAQ

LIBYA

UNITED KINGDOM