

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Nine month period ended 30 September 2011 (Unaudited)

CONSOLIDATED STATEMENT OF INCOME

	Three months ended 30 September		Nine months ended 30 September	
	2011	2010	2011	2010
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Net interest income	136,250	130,939	415,748	370,171
Fees and other income	57,639	55,454	182,684	185,286
TOTAL OPERATING INCOME	193,889	186,393	598,432	555,457
Net provision for loan losses and contingencies	27,071	35,818	55,137	116,016
Provision for non-trading investments	9,860	11,580	62,002	21,716
Total provisions	36,931	47,398	117,139	137,732
NET OPERATING INCOME	156,958	138,995	481,293	417,725
TOTAL OPERATING EXPENSES	63,563	62,273	189,159	181,845
PROFIT BEFORE TAX	93,395	76,722	292,134	235,880
Tax expense	7,293	5,718	24,577	14,915
NET PROFIT AFTER TAX FOR THE PERIOD	86,102	71,004	267,557	220,965
Attributable to:				
Bank's equity shareholders	78,590	65,164	240,315	201,057
Non-controlling interest	7,512	5,840	27,242	19,908
	86,102	71,004	267,557	220,965
EARNINGS PER SHARE ATTRIBUTABLE TO BANK'S EQUITY SHAREHOLDERS FOR THE PERIOD				
Basic earnings per ordinary share (US cents)	1.6	1.3	4.8	4.1
Diluted earnings per share (US cents)	1.5	1.3	4.7	4.1

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 30 September		Nine months ended 30 September	
	2011	2010	2011	2010
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Net profit for the period	86,102	71,004	267,557	220,965
Other comprehensive income				
Directors' fees paid and donations approved	-	-	(1,000)	(2,211)
Foreign currency translation adjustments	(6,783)	21,574	3,514	(9,682)
Net fair value movements during the period	(132,541)	(4,473)	(145,052)	(39,540)
Revaluation of freehold land	(16)	72	(1,675)	32
Sale of treasury shares	-	-	-	119
Total comprehensive income for the period	(53,238)	88,177	123,344	169,683
Total comprehensive income attributable to:				
Bank's equity shareholders	(57,663)	75,600	95,682	141,776
Non-controlling interest	4,425	12,577	27,662	27,907
	(53,238)	88,177	123,344	169,683

CONSOLIDATED STATEMENT OF CASH FLOWS

	Nine months ended 30 September	
	2011	2010
	US\$ '000	US\$ '000
Net cash from (used in) operating activities	302,095	(108,694)
Net cash used in investing activities	(134,553)	(691,928)
Net cash from (used in) financing activities	135,310	(63,199)
Foreign currency translation adjustments	3,514	(9,682)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	306,366	(873,503)
Cash and cash equivalents at 1 January	2,963,158	2,179,476
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	3,269,524	1,305,973

CONSOLIDATED BALANCE SHEET

	30 September 2011	Audited 31 December 2010
	US\$ '000	US\$ '000
ASSETS		
Cash and balances with central banks	411,186	361,376
Treasury bills and deposits with central banks	2,582,310	1,928,803
Deposits with banks and other financial institutions	2,620,387	3,140,167
Loans and advances	14,999,768	14,477,713
Non-trading investments	4,372,392	4,413,302
Investment in associates and joint venture	618,214	605,679
Premises and equipment	367,341	373,094
Interest receivable and other assets	514,809	440,969
Goodwill and other intangible assets	716,832	716,358
TOTAL ASSETS	27,203,239	26,457,461
LIABILITIES AND EQUITY		
LIABILITIES		
Deposits from banks and other financial institutions	4,217,009	4,965,223
Borrowings under repurchase agreements	971,951	1,645,061
Customers' deposits	16,669,715	14,835,796
Term debts	947,042	946,562
Interest payable and other liabilities	742,992	693,689
Subordinated liabilities	781,108	618,955
TOTAL LIABILITIES	24,329,817	23,705,286
EQUITY		
Ordinary share capital	1,242,135	1,223,188
Preference share capital	125,000	13,937
Reserves	1,122,673	1,155,056
Attributable to the Bank's equity shareholders	2,489,808	2,392,181
Non - controlling interest	383,614	359,994
TOTAL EQUITY	2,873,422	2,752,175
TOTAL LIABILITIES AND EQUITY	27,203,239	26,457,461

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	2011	2010
	US\$'000	US\$'000
BALANCE AT 1 JANUARY ATTRIBUTABLE TO THE BANK'S EQUITY SHAREHOLDERS	2,392,181	2,213,523
Total comprehensive income for the period	95,682	141,776
Class B preference share dividend paid	(149)	(1,129)
Ordinary share dividend paid	(122,697)	(97,043)
Preference shares issued	125,000	21,743
Equity shares surrendered	(290)	(1,607)
Issue of shares on AUB Egypt acquisition	-	35,422
Additional acquisition in subsidiaries	236	(18,350)
Treasury shares sold	-	1,665
Other equity movements	(155)	(2,549)
BALANCE AT 30 SEPTEMBER ATTRIBUTABLE TO THE BANK'S EQUITY SHAREHOLDERS	2,489,808	2,293,451
NON-CONTROLLING INTEREST	383,614	352,822
TOTAL EQUITY AT 30 SEPTEMBER	2,873,422	2,646,273

Fahad Al-Rajaan
Chairman

Hamad Al-Marzouq
Deputy Chairman

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

BAHRAIN

KUWAIT

QATAR

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