

# INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Six month period ended 30 June 2011 (Unaudited)

## CONSOLIDATED STATEMENT OF INCOME

	Three months ended 30 June		Six months ended 30 June	
	2011	2010	2011	2010
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Net interest income	142,756	122,066	279,498	239,232
Other operating income	70,549	59,441	125,045	129,831
<b>TOTAL OPERATING INCOME</b>	<b>213,305</b>	<b>181,507</b>	<b>404,543</b>	<b>369,063</b>
Provision for loan losses and contingencies - net	10,507	28,422	28,066	80,198
Provision for non-trading investments	33,765	7,169	52,142	10,135
<b>NET OPERATING INCOME</b>	<b>169,033</b>	<b>145,916</b>	<b>324,335</b>	<b>278,730</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>64,058</b>	<b>61,762</b>	<b>125,596</b>	<b>119,572</b>
<b>PROFIT BEFORE TAX</b>	<b>104,975</b>	<b>84,154</b>	<b>198,739</b>	<b>159,158</b>
Tax expense	9,658	5,693	17,284	9,197
<b>NET PROFIT AFTER TAX FOR THE PERIOD</b>	<b>95,317</b>	<b>78,461</b>	<b>181,455</b>	<b>149,961</b>
<b>Attributable to:</b>				
Bank's equity shareholders	84,425	70,192	161,725	135,893
Non-controlling interest	10,892	8,269	19,730	14,068
	<b>95,317</b>	<b>78,461</b>	<b>181,455</b>	<b>149,961</b>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO BANK'S EQUITY SHAREHOLDERS FOR THE PERIOD</b>				
Basic earnings per ordinary share (US cents)	1.7	1.4	3.3	2.8
Diluted earnings per share (US cents)	1.6	1.4	3.2	2.8

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 30 June		Six months ended 30 June	
	2011	2010	2011	2010
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
<b>Net profit for the period</b>	<b>95,317</b>	<b>78,461</b>	<b>181,455</b>	<b>149,961</b>
<b>Other comprehensive income</b>				
Directors' fees paid and donations approved	-	-	(1,000)	(2,211)
Foreign currency translation adjustments	10,271	(9,785)	10,297	(31,256)
Net fair value movements during the period	(4,251)	(61,913)	(12,511)	(35,067)
Revaluation of freehold land	29	(6)	(1,659)	(40)
Sale of treasury shares	-	-	-	119
<b>Total comprehensive income for the period</b>	<b>101,366</b>	<b>6,757</b>	<b>176,582</b>	<b>81,506</b>
<b>Total comprehensive income attributable to:</b>				
Bank's equity shareholders	88,105	(1,604)	153,345	66,176
Non-controlling interest	13,261	8,361	23,237	15,330
	<b>101,366</b>	<b>6,757</b>	<b>176,582</b>	<b>81,506</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2011	2010
	US\$ '000	US\$ '000
Net cash from operating activities	1,108,491	110,818
Net cash used in investing activities	(38,215)	(377,066)
Net cash from (used in) financing activities	143,330	(92,432)
Foreign currency translation adjustments	10,297	(31,256)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,223,903</b>	<b>(389,936)</b>
Cash and cash equivalents at 1 January	2,963,158	2,179,476
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>4,187,061</b>	<b>1,789,540</b>

## CONSOLIDATED BALANCE SHEET

	Audited	
	30 June 2011	31 December 2010
	US\$ '000	US\$ '000
<b>ASSETS</b>		
Cash and balances with central banks	418,671	361,376
Treasury bills and bonds	384,257	301,127
Trading securities	132	130
Deposits with banks and other financial institutions	5,418,676	4,767,843
Loans and advances	14,877,457	14,477,713
Non-trading investments	4,406,072	4,413,172
Investment in associates and joint venture	606,242	605,679
Premises and equipment	380,066	373,094
Interest receivable and other assets	436,484	440,969
Goodwill and other intangible assets	720,913	716,358
<b>TOTAL ASSETS</b>	<b>27,648,970</b>	<b>26,457,461</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Deposits from banks and other financial institutions	4,879,761	6,610,284
Customers' deposits	17,405,218	14,835,796
Term debts	950,677	946,562
Interest payable and other liabilities	702,062	693,689
Subordinated liabilities	785,440	618,955
<b>TOTAL LIABILITIES</b>	<b>24,723,158</b>	<b>23,705,286</b>
<b>EQUITY</b>		
Ordinary share capital	1,242,145	1,223,188
Preference share capital	125,000	13,937
Reserves	1,179,690	1,155,056
Attributable to the Bank's equity shareholders	2,546,835	2,392,181
Non - controlling interest	378,977	359,994
<b>TOTAL EQUITY</b>	<b>2,925,812</b>	<b>2,752,175</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>27,648,970</b>	<b>26,457,461</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	2011	2010
	US\$ '000	US\$ '000
<b>BALANCE AT 1 JANUARY ATTRIBUTABLE TO THE BANK'S EQUITY SHAREHOLDERS</b>	<b>2,392,181</b>	<b>2,213,523</b>
Total comprehensive income for the period	153,345	66,176
Class B preference share dividend paid	(149)	(1,129)
Ordinary share dividend paid	(122,697)	(97,043)
Preference shares issued	125,000	-
Equity shares surrendered	(275)	(1,608)
Issue of shares on AUB Egypt acquisition	-	35,422
Additional acquisition in subsidiaries	-	(16,273)
Treasury shares sold	-	1,665
Other equity movements	(570)	(2,608)
<b>BALANCE AT 30 JUNE ATTRIBUTABLE TO THE BANK'S EQUITY SHAREHOLDERS</b>	<b>2,546,835</b>	<b>2,198,125</b>
<b>NON-CONTROLLING INTEREST</b>	<b>378,977</b>	<b>355,282</b>
<b>TOTAL EQUITY AT 30 JUNE</b>	<b>2,925,812</b>	<b>2,553,407</b>

Fahad Al-Rajaan  
Chairman

Hamad Al-Marzouq  
Deputy Chairman

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

BAHRAIN

KUWAIT

QATAR

OMAN

EGYPT

IRAQ

LIBYA

UNITED KINGDOM