

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Nine month period ended 30 September 2010 (Unaudited)

CONSOLIDATED STATEMENT OF INCOME

	Three months ended 30 September		Nine months ended 30 September	
	2010	2009	2010	2009
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Net interest income	130,939	119,193	370,171	343,551
Other operating income	43,874	52,318	163,570	240,200
TOTAL OPERATING INCOME	174,813	171,511	533,741	583,751
Provisions for loan losses and contingencies - net	35,818	68,148	116,016	196,124
NET OPERATING INCOME	138,995	103,363	417,725	387,627
TOTAL OPERATING EXPENSES	63,450	58,198	185,096	175,015
PROFIT BEFORE TAX	75,545	45,165	232,629	212,612
NET PROFIT AFTER TAX FOR THE PERIOD	71,004	43,525	220,965	211,177
Attributable to:				
Bank's equity shareholders	65,164	40,119	201,057	183,661
Non-controlling interest	5,840	3,406	19,908	27,516
	71,004	43,525	220,965	211,177

EARNINGS PER SHARE ATTRIBUTABLE TO BANK'S EQUITY SHAREHOLDERS FOR THE PERIOD

	2010	2009	2010	2009
Basic and diluted earnings per share (US cents)	1.3	0.8	4.1	3.8

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 30 September		Nine months ended 30 September	
	2010	2009	2010	2009
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Net profit for the period	71,004	43,525	220,965	211,177
Other comprehensive income				
Directors' fees paid and donations approved	-	-	(2,211)	(2,168)
Currency translation adjustments	21,574	3,333	(9,682)	(41,036)
Net fair value movements during the period	(4,473)	(11,378)	(39,540)	166,739
Revaluation of freehold land	72	60	32	(1,628)
Sale of treasury shares	-	-	119	-
Total comprehensive income for the period	88,177	35,540	169,683	333,084
Total comprehensive income (loss) attributable to:				
Bank's equity shareholders	75,600	38,461	141,776	332,733
Non-controlling interest	12,577	(2,921)	27,907	351
	88,177	35,540	169,683	333,084

CONSOLIDATED STATEMENT OF CASH FLOWS

	Nine months ended 30 September	
	2010	2009
	US\$ '000	US\$ '000
Net cash used in operating activities	(108,694)	(377,687)
Net cash used in investing activities	(691,928)	(282,107)
Net cash used in financing activities	(63,199)	(558,621)
Foreign currency translation adjustments	(9,682)	(41,036)
DECREASE IN CASH AND CASH EQUIVALENTS	(873,503)	(1,259,451)
Cash and cash equivalents at 1 January	2,179,476	2,446,908
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	1,305,973	1,187,457

CONSOLIDATED BALANCE SHEET

	30 September	Audited 31 December
	2010	2009
	US\$ '000	US\$ '000
ASSETS		
Cash and balances with central banks	273,638	304,164
Treasury bills and bonds	262,796	969,114
Trading securities	130	376
Deposits with banks and other financial institutions	3,751,481	3,100,446
Loans and advances	14,475,645	13,299,999
Non-trading investments	4,362,458	3,898,592
Investment in associates and joint venture	594,976	537,099
Premises and equipment	369,855	355,956
Other assets	601,277	483,951
Goodwill and other intangible assets	719,093	624,286
TOTAL ASSETS	25,411,349	23,573,983
LIABILITIES AND EQUITY		
LIABILITIES		
Deposits from banks and other financial institutions	5,769,234	5,549,518
Customers' deposits	14,589,469	13,241,266
Term debts	947,719	950,054
Other liabilities	838,874	649,498
Subordinated liabilities	619,780	602,216
TOTAL LIABILITIES	22,765,076	20,992,552
EQUITY		
Ordinary share capital	1,223,190	1,193,589
Preference share capital	13,937	6,321
Reserves	1,056,324	1,013,613
Attributable to the Bank's equity shareholders	2,293,451	2,213,523
Non-controlling interest	352,822	367,908
TOTAL EQUITY	2,646,273	2,581,431
TOTAL LIABILITIES AND EQUITY	25,411,349	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 for the period	141,776	332,733
Class B preference share dividend paid	(1,129)	(3,493)
Ordinary share dividend paid	(97,043)	(112,658)
Equity shares surrendered	(1,607)	-
Class B preference shares issued (surrendered)	21,743	(2,917)
Additional acquisition in subsidiaries	17,072	-
Treasury shares sold (purchased)	1,665	(1,665)
Other equity movements of a subsidiary	(2,549)	-
BALANCE AT 30 SEPTEMBER ATTRIBUTABLE TO THE BANK'S EQUITY SHAREHOLDERS	2,293,451	2,207,435
NON-CONTROLLING INTEREST	352,822	373,163
TOTAL EQUITY AT 30 SEPTEMBER	2,646,273	2,580,598

Fahad Al-Rajaan
Chairman

Hamad Al-Marzouq
Deputy Chairman

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

BAHRAIN

KUWAIT

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