

# INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Nine months ended 30 September 2012 (Unaudited)

## CONSOLIDATED STATEMENT OF INCOME

|   | Three months ended<br>30 September |                   | Nine months ended<br>30 September |                   |
|---|------------------------------------|-------------------|-----------------------------------|-------------------|
|   | 2012<br>US\$ '000                  | 2011<br>US\$ '000 | 2012<br>US\$ '000                 | 2011<br>US\$ '000 |
| Net interest income   | 162,659                            | 136,250           | 469,595                           | 415,748           |
| Fees and other income   | 58,609                             | 57,639            | 184,255                           | 182,684           |
| <b>TOTAL OPERATING INCOME</b>   | <b>221,268</b>                     | <b>193,889</b>    | <b>653,850</b>                    | <b>598,432</b>    |
| Net provision for loan losses and others  | 40,411                             | 27,071            | 82,765                            | 55,137            |
| Provision for non-trading investments   | 7,536                              | 9,860             | 58,143                            | 62,002            |
| <b>NET OPERATING INCOME</b>   | <b>173,321</b>                     | <b>156,958</b>    | <b>512,942</b>                    | <b>481,293</b>    |
| <b>TOTAL OPERATING EXPENSES</b>   | <b>66,666</b>                      | <b>63,563</b>     | <b>196,300</b>                    | <b>189,159</b>    |
| <b>PROFIT BEFORE TAX</b>  | <b>106,655</b>                     | <b>93,395</b>     | <b>316,642</b>                    | <b>292,134</b>    |
| Tax expense   | 9,063                              | 7,293             | 26,876                            | 24,577            |
| <b>NET PROFIT FOR THE PERIOD</b>  | <b>97,592</b>                      | <b>86,102</b>     | <b>289,766</b>                    | <b>267,557</b>    |
| <b>Attributable to:</b>   |                                    |                   |                                   |                   |
| Bank's equity shareholders  | 87,222                             | 78,590            | 257,153                           | 240,315           |
| Non-controlling interest  | 10,370                             | 7,512             | 32,613                            | 27,242            |
|   | <b>97,592</b>                      | <b>86,102</b>     | <b>289,766</b>                    | <b>267,557</b>    |
| <b>EARNINGS PER SHARE ATTRIBUTABLE TO BANK'S<br/>EQUITY SHAREHOLDERS FOR THE PERIOD</b> |                                    |                   |                                   |                   |
| Basic earnings per ordinary share (US cents)  | 1.7                                | 1.5               | 4.9                               | 4.6               |
| Diluted earnings per share (US cents)   | 1.6                                | 1.5               | 4.8                               | 4.5               |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

|  | Three months ended<br>30 September |                   | Nine months ended<br>30 September |                   |
|--|------------------------------------|-------------------|-----------------------------------|-------------------|
|  | 2012<br>US\$ '000                  | 2011<br>US\$ '000 | 2012<br>US\$ '000                 | 2011<br>US\$ '000 |
| <b>Net profit for the period</b>                   | <b>97,592</b>                      | <b>86,102</b>     | <b>289,766</b>                    | <b>267,557</b>    |
| <b>Other comprehensive income</b>                  |                                    |                   |                                   |                   |
| Donations approved                                 | -                                  | -                 | (1,000)                           | (1,000)           |
| Foreign currency translation adjustments           | (2,064)                            | (6,799)           | (10,917)                          | 4,282             |
| Net fair value movements during the period         | 74,434                             | (132,541)         | 108,299                           | (145,052)         |
| Revaluation of freehold land                       | -                                  | -                 | -                                 | (2,443)           |
| <b>Total comprehensive income for the period</b>   | <b>169,962</b>                     | <b>(53,238)</b>   | <b>386,148</b>                    | <b>123,344</b>    |
| <b>Total comprehensive income attributable to:</b> |                                    |                   |                                   |                   |
| Bank's equity shareholders                         | 156,763                            | (57,663)          | 356,240                           | 95,682            |
| Non-controlling interest                           | 13,199                             | 4,425             | 29,908                            | 27,662            |
|  | <b>169,962</b>                     | <b>(53,238)</b>   | <b>386,148</b>                    | <b>123,344</b>    |

## CONSOLIDATED STATEMENT OF CASH FLOWS

|  | Nine months ended 30 September |                   |
|--|--------------------------------|-------------------|
|  | 2012<br>US\$ '000              | 2011<br>US\$ '000 |
| Net cash from operating activities               | 1,899,674                      | 302,095           |
| Net cash used in investing activities            | (678,917)                      | (135,321)         |
| Net cash (used in) from financing activities     | (1,086,233)                    | 135,310           |
| Foreign currency translation adjustments         | (10,917)                       | 4,282             |
| <b>INCREASE IN CASH AND CASH EQUIVALENTS</b>     | <b>123,607</b>                 | <b>306,366</b>    |
| Cash and cash equivalents at 1 January           | 3,866,097                      | 2,963,158         |
| <b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b> | <b>3,989,704</b>               | <b>3,269,524</b>  |

## CONSOLIDATED BALANCE SHEET

|  | Audited                           |                                  |
|--|-----------------------------------|----------------------------------|
|  | 30 September<br>2012<br>US\$ '000 | 31 December<br>2011<br>US\$ '000 |
| <b>ASSETS</b>  |                                   |                                  |
| Cash and balances with central banks                 | 744,245                           | 673,800                          |
| Treasury bills and deposits with central banks       | 2,098,227                         | 2,612,287                        |
| Deposits with banks and other financial institutions | 3,786,351                         | 3,068,879                        |
| Loans and advances                                   | 16,246,819                        | 15,495,961                       |
| Non-trading investments                              | 5,044,220                         | 4,370,441                        |
| Investment in associates and joint venture           | 703,255                           | 629,843                          |
| Premises and equipment                               | 414,483                           | 351,720                          |
| Interest receivable and other assets                 | 501,624                           | 435,484                          |
| Goodwill and other intangible assets                 | 684,661                           | 691,347                          |
| <b>TOTAL ASSETS</b>                                  | <b>30,223,885</b>                 | <b>28,329,762</b>                |
| <b>LIABILITIES AND EQUITY</b>                        |                                   |                                  |
| <b>LIABILITIES</b>                                   |                                   |                                  |
| Deposits from banks and other financial institutions | 5,112,751                         | 4,434,645                        |
| Borrowings under repurchase agreements               | 1,849,930                         | 1,352,601                        |
| Customers' deposits                                  | 18,571,721                        | 17,345,034                       |
| Term debts   | -                                 | 768,000                          |
| Interest payable and other liabilities               | 879,815                           | 745,056                          |
| Subordinated liabilities                             | 686,868                           | 773,285                          |
| <b>TOTAL LIABILITIES</b>                             | <b>27,101,085</b>                 | <b>25,418,621</b>                |
| <b>EQUITY</b>  |                                   |                                  |
| Ordinary share capital                               | 1,304,209                         | 1,242,135                        |
| Preference share capital                             | 125,000                           | 125,000                          |
| Reserves   | 1,312,875                         | 1,170,296                        |
| Attributable to the Bank's equity shareholders       | 2,742,084                         | 2,537,431                        |
| Non - controlling interest                           | 380,716                           | 373,710                          |
| <b>TOTAL EQUITY</b>                                  | <b>3,122,800</b>                  | <b>2,911,141</b>                 |
| <b>TOTAL LIABILITIES AND EQUITY</b>                  | <b>30,223,885</b>                 | <b>28,329,762</b>                |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

|   | 2012             |           | 2011      |           |
|---|------------------|-----------|-----------|-----------|
|   | US\$ '000        | US\$ '000 | US\$ '000 | US\$ '000 |
| <b>BALANCE AT 1 JANUARY ATTRIBUTABLE TO THE<br/>BANK'S EQUITY SHAREHOLDERS</b>    | <b>2,537,431</b> |           |           | 2,392,181 |
| Total comprehensive income for the period   | 356,240          |           |           | 95,682    |
| Mandatorily convertible<br>preference shares dividend paid                        | (2,900)          |           |           | -         |
| Class B preference share dividend paid  | -                |           |           | (149)     |
| Ordinary share dividend paid  | (149,530)        |           |           | (122,697) |
| Preference shares issued  | -                |           |           | 125,000   |
| Conversion of preference shares   | -                |           |           | 675       |
| Equity shares surrendered   | (359)            |           |           | (290)     |
| Other equity movements  | 1,202            |           |           | (594)     |
| <b>BALANCE AT 30 SEPTEMBER ATTRIBUTABLE TO THE<br/>BANK'S EQUITY SHAREHOLDERS</b> | <b>2,742,084</b> |           |           | 2,489,808 |
| <b>NON-CONTROLLING INTEREST</b>   | <b>380,716</b>   |           |           | 383,614   |
| <b>TOTAL EQUITY AT 30 SEPTEMBER</b>   | <b>3,122,800</b> |           |           | 2,873,422 |

Fahad Al-Rajaan  
Chairman

Hamad Al-Marzouq  
Deputy Chairman

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

The above Consolidated Balance Sheet and the Consolidated Statements of Income, Comprehensive Income, Cash Flows and Statement of Changes in Equity have been extracted from the Interim Condensed Consolidated Financial Statements of Ahli United Bank B.S.C. for the nine months ended 30 September 2012, which were approved by the Board of Directors and on which an unqualified review opinion was issued by Ernst & Young, Kingdom of Bahrain on 5 November 2012. For further information please visit [www.ahliunited.com](http://www.ahliunited.com).