

# CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2010

## CONSOLIDATED STATEMENT OF INCOME

Year ended 31 December 2010

	2010	2009
	US\$ '000	US\$ '000
Interest income	893,498	934,283
Interest expense	384,724	467,698
Net interest income	508,774	466,585
Fees and commissions - net	123,319	138,530
Trading income - net	28,219	39,439
Net loss on available-for-sale investments	(22,110)	(14,064)
Share of profit from associates and joint venture	51,554	40,744
Other operating income	24,303	25,152
	<b>205,285</b>	<b>229,801</b>
<b>OPERATING INCOME</b>	<b>714,059</b>	<b>696,386</b>
Provision for loan losses and contingencies - net	151,671	228,136
<b>NET OPERATING INCOME</b>	<b>562,388</b>	<b>468,250</b>
Staff costs	142,290	142,151
Depreciation	24,046	20,233
Other operating expenses	87,079	73,024
<b>OPERATING EXPENSES</b>	<b>253,415</b>	<b>235,408</b>
<b>PROFIT BEFORE TAX</b>	<b>308,973</b>	<b>232,842</b>
Tax expense	16,774	6,756
<b>NET PROFIT FOR THE YEAR</b>	<b>292,199</b>	<b>226,086</b>
<b>Attributable to:</b>		
Bank's equity shareholders	265,499	200,718
Non-controlling interests	26,700	25,368
	<b>292,199</b>	<b>226,086</b>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO THE BANK'S EQUITY SHAREHOLDERS FOR THE YEAR:</b>		
Basic and diluted earnings per share (US cents)	5.4	4.2

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2010

	2010	2009
	US\$ '000	US\$ '000
<b>Net profit for the year</b>	<b>292,199</b>	<b>226,086</b>
<b>Other comprehensive income</b>		
Directors' fees paid and donations approved	(2,211)	(2,168)
Currency translation adjustments	(11,315)	(39,377)
Net fair value movements during the year	17,492	212,537
Revaluation of freehold land	(19,439)	(53,874)
<b>Total comprehensive income for the year</b>	<b>276,726</b>	<b>343,204</b>
<b>Total comprehensive income attributable to:</b>		
Bank's equity shareholders	240,490	341,706
Non-controlling interests	36,236	1,498
	<b>276,726</b>	<b>343,204</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2010

	2010	2009
	US\$ '000	US\$ '000
Net cash from operating activities	1,594,236	683,816
Net cash used in investing activities	(570,656)	(346,138)
Net cash used in financing activities	(228,583)	(565,733)
Foreign currency translation adjustments	(11,315)	(39,377)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>783,682</b>	<b>(267,432)</b>
Cash and cash equivalents at 1 January	2,179,476	2,446,908
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>2,963,158</b>	<b>2,179,476</b>

## CONSOLIDATED BALANCE SHEET

31 December 2010

	2010	2009
	US\$ '000	US\$ '000
<b>ASSETS</b>		
Cash and balances with central banks	361,376	304,164
Treasury bills and bonds	301,127	969,114
Trading securities	130	376
Deposits with banks and other financial institutions	4,767,843	3,100,446
Loans and advances	14,477,713	13,299,999
Non-trading investments	4,413,172	3,898,592
Investments in associates and joint venture	605,679	537,099
Premises and equipment	373,094	355,956
Other assets	440,969	483,951
Goodwill and other intangible assets	716,358	624,286
<b>TOTAL ASSETS</b>	<b>26,457,461</b>	<b>23,573,983</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Deposits from banks and other financial institutions	6,610,284	5,549,518
Customers' deposits	14,835,796	13,241,266
Term debts	946,562	950,054
Other liabilities	693,689	649,498
Subordinated liabilities	618,955	602,216
<b>TOTAL LIABILITIES</b>	<b>23,705,286</b>	<b>20,992,552</b>
<b>EQUITY</b>		
Ordinary share capital	1,223,188	1,193,589
Preference share capital	13,937	6,321
Reserves	1,155,056	1,013,613
Attributable to the Bank's equity shareholders	2,392,181	2,213,523
Non-controlling interests	359,994	367,908
<b>TOTAL EQUITY</b>	<b>2,752,175</b>	<b>2,581,431</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>26,457,461</b>	<b>23,573,983</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2010

	2010	2009
	US\$ '000	US\$ '000
<b>BALANCE AT 1 JANUARY ATTRIBUTABLE TO THE BANK'S EQUITY SHAREHOLDERS</b>	<b>2,213,523</b>	<b>1,995,435</b>
Total comprehensive income for the year	240,490	341,706
Class B preference share dividend paid	(1,129)	(3,493)
Ordinary share dividend paid	(97,043)	(112,658)
Equity shares surrendered	(1,618)	-
Class B preference shares issued (surrendered)	21,743	(5,802)
Issue of shares on AUBE acquisition	35,422	-
Arising on additional acquisition of a subsidiary	(18,422)	-
Other equity movements of a subsidiary	(2,450)	-
Sale (purchase) of treasury shares	1,665	(1,665)
<b>BALANCE AT 31 DECEMBER ATTRIBUTABLE TO THE BANK'S EQUITY SHAREHOLDERS</b>	<b>2,392,181</b>	<b>2,213,523</b>
<b>NON-CONTROLLING INTERESTS</b>	<b>359,994</b>	<b>367,908</b>
<b>BALANCE AT 31 DECEMBER 2010</b>	<b>2,752,175</b>	<b>2,581,431</b>

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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