

**Extract of the Interim Condensed
Consolidated Financial Statements**

30 June 2008



البنك الأهلي المتحد



ahli united bank

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF **AHLI UNITED BANK B.S.C.**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Ahli United Bank B.S.C. (the "Bank") and its subsidiaries (the "Group") as at 30 June 2008, comprising the interim consolidated balance sheet as at 30 June 2008 and the related interim consolidated statements of income, changes in equity and cash flows for the six-month period then ended and explanatory notes. The Bank's Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

The logo for Ernst & Young, featuring the company name in a stylized, cursive script.

22 July 2008

Manama, Kingdom of Bahrain

Interim Consolidated Statement of Income (Unaudited)

	Three months ended		Six months ended	
	30 June 2008 US\$ '000	30 June 2007 US\$ '000	30 June 2008 US\$ '000	30 June 2007 US\$ '000
Interest income	320,183	314,301	649,077	615,913
Interest expense	207,593	234,208	438,906	463,470
Net interest income	112,590	80,093	210,171	152,443
Fees and commissions - net	38,735	37,504	77,364	65,671
Trading income	13,368	14,406	31,733	19,202
Net gains on available-for-sale investments	62,613	21,761	86,868	28,049
Share of profit from associates	16,860	13,469	33,526	28,901
Dividend income	4,987	6,559	17,952	14,952
Other operating income	2,142	1,911	3,391	3,892
	138,705	95,610	250,834	160,667
OPERATING INCOME	251,295	175,703	461,005	313,110
Provisions for loan losses	20,854	9,136	48,574	12,148
NET OPERATING INCOME	230,441	166,567	412,431	300,962
Staff costs	46,789	39,498	86,198	69,524
Depreciation	4,277	3,258	7,828	6,134
Other operating expenses	29,632	18,955	55,180	34,471
OPERATING EXPENSES	80,698	61,711	149,206	110,129
PROFIT BEFORE TAX	149,743	104,856	263,225	190,833
Income tax expense	2,812	2,822	4,224	5,309
NET PROFIT FOR THE PERIOD	146,931	102,034	259,001	185,524
Attributable to:				
Bank's equity shareholders	117,414	81,778	211,720	150,726
Minority interest	29,517	20,256	47,281	34,798
	146,931	102,034	259,001	185,524
EARNINGS PER SHARE ATTRIBUTABLE TO BANK'S EQUITY SHAREHOLDERS FOR THE PERIOD				
Basic earnings per share (US cents)	2.6	2.5	4.7	4.6
Diluted earnings per share (US cents)	2.6	1.9	4.7	3.6

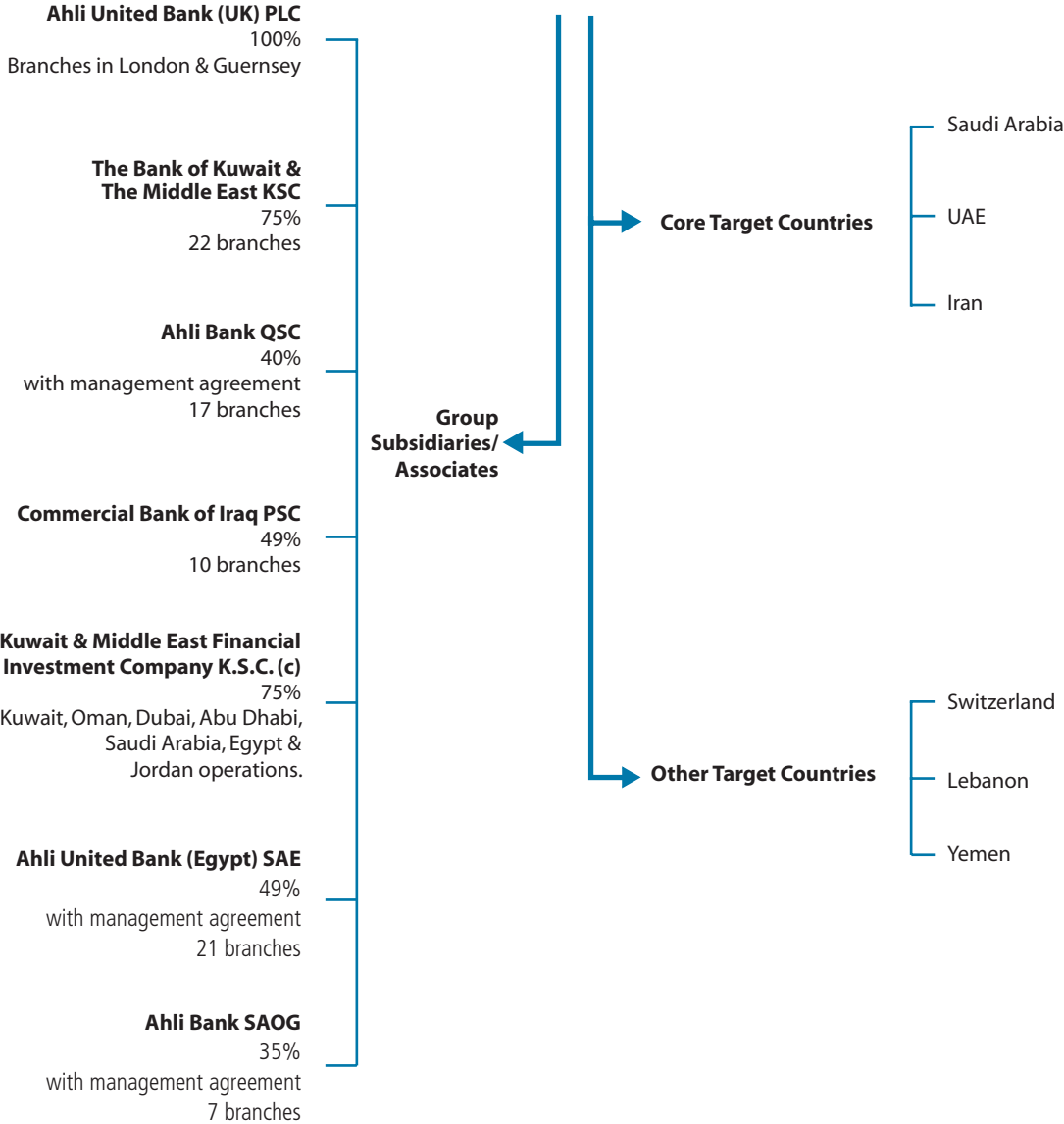
Interim Consolidated Balance Sheet

	30 June 2008 US\$ '000	Audited 31 December 2007 US\$ '000
ASSETS		
Cash and balances with central banks	193,011	142,590
Treasury bills and bonds	1,366,599	867,074
Trading securities	160,591	112,201
Deposits with banks and other financial institutions	6,241,277	4,396,781
Loans and advances	13,289,990	12,035,153
Non-trading investments	3,485,387	3,525,277
Investment in associates	802,722	768,471
Premises and equipment	353,733	292,461
Other assets	549,790	414,487
Goodwill and other intangible assets	509,932	495,357
TOTAL ASSETS	26,953,032	23,049,852
LIABILITIES, SUBORDINATED LIABILITIES AND EQUITY		
LIABILITIES		
Deposits from banks and other financial institutions	7,431,182	6,989,024
Customers' deposits	14,047,862	10,780,914
Term debt	1,350,000	1,350,000
Other liabilities	844,982	693,569
TOTAL LIABILITIES	23,674,026	19,813,507
SUBORDINATED LIABILITIES	638,006	588,224
EQUITY		
Ordinary share capital	1,126,581	844,201
Preference share capital	17,287	173,001
Reserves	1,175,420	1,292,518
Attributable to the Bank's equity shareholders	2,319,288	2,309,720
Minority interest	321,712	338,401
TOTAL EQUITY	2,641,000	2,648,121
TOTAL LIABILITIES, SUBORDINATED LIABILITIES AND EQUITY	26,953,032	23,049,852

Group Expansion Strategy

AHLI UNITED BANK BSC ("AUB")

- Incorporated in 2000
- CBB regulated
- Head Office & 20 branches in Bahrain





Ahli United Bank B.S.C.
Building 2495, Road 2832
Al-Seeif District,
P.O. Box 2424, Manama
Kingdom of Bahrain
Telephone: +973 17 585 858
Facsimile: +973 17 580 569
e-mail: info@ahliunited.com
www.ahliunited.com