

CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2009

CONSOLIDATED STATEMENT OF INCOME

Year ended 31 December 2009

	2009 US\$ '000	2008 US\$ '000
Interest income	934,283	1,240,072
Interest expense	467,698	836,967
Net interest income	466,585	403,105
Fees and commissions - net	138,530	150,630
Trading income - net	39,439	24,896
Net loss on available-for-sale investments	(14,064)	(12,391)
Share of profit from associates	40,744	66,455
Dividend income	13,275	20,032
Other operating income	11,877	12,806
	229,801	262,428
OPERATING INCOME	696,386	665,533
Provision for loan losses and contingencies - net	228,136	98,625
NET OPERATING INCOME	468,250	566,908
Staff costs	142,151	152,689
Depreciation	20,233	16,834
Other operating expenses	75,466	90,930
OPERATING EXPENSES	237,850	260,453
PROFIT BEFORE TAX	230,400	306,455
Income tax expense (credit)	4,314	(3,287)
NET PROFIT FOR THE YEAR	226,086	309,742
Attributable to:		
Bank's equity shareholders	200,718	255,723
Non-controlling interests	25,368	54,019
	226,086	309,742
EARNINGS PER SHARE ATTRIBUTABLE TO BANK'S EQUITY SHAREHOLDERS FOR THE YEAR:		
Basic earnings per share (US cents)	4.2	5.3
Diluted earnings per share (US cents)	4.2	5.3

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2009

	2009 US\$ '000	2008 US\$ '000
Net profit for the year	226,086	309,742
Other comprehensive income		
Directors' fees paid and donations approved	(2,168)	(2,002)
Currency translation adjustments	(39,377)	(2,825)
Net fair value movements during the year	212,537	(509,661)
Revaluation of freehold land	(53,874)	31,661
Total comprehensive income (loss) for the year	343,204	(173,085)
Total comprehensive income (loss) attributable to:		
Bank's equity shareholders	341,706	(184,157)
Non-controlling interests	1,498	11,072
	343,204	(173,085)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2009

	2009 US\$ '000	2008 US\$ '000
Net cash from operating activities	683,816	134,512
Net cash (used in) from investing activities	(346,138)	64,997
Net cash used in financing activities	(565,733)	(126,662)
Foreign currency translation adjustments	(39,377)	(2,825)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(267,432)	70,022
Cash and cash equivalents at 1 January	2,446,908	2,376,886
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	2,179,476	2,446,908

CONSOLIDATED BALANCE SHEET

31 December 2009

	2009 US\$ '000	2008 US\$ '000
ASSETS		
Cash and balances with central banks	304,164	392,251
Treasury bills and bonds	969,114	1,236,997
Trading securities	376	23,364
Deposits with banks and other financial institutions	3,100,446	2,867,959
Loans and advances	13,299,999	13,632,220
Non-trading investments	3,898,592	3,353,570
Investments in associates and joint venture	537,099	534,916
Premises and equipment	355,956	389,009
Other assets	483,951	517,871
Goodwill and other intangible assets	624,286	634,570
TOTAL ASSETS	23,573,983	23,582,727
LIABILITIES AND EQUITY		
LIABILITIES		
Deposits from banks and other financial institutions	5,549,518	5,153,514
Customers' deposits	13,241,266	13,178,079
Term debts	950,054	1,350,000
Other liabilities	649,498	882,781
Subordinated liabilities	602,216	623,576
TOTAL LIABILITIES	20,992,552	21,187,950
EQUITY		
Ordinary share capital	1,193,589	1,126,561
Preference share capital	6,321	17,128
Reserves	1,013,613	851,746
Attributable to the Bank's equity shareholders	2,213,523	1,995,435
Non-controlling interests	367,908	399,342
TOTAL EQUITY	2,581,431	2,394,777
TOTAL LIABILITIES AND EQUITY	23,573,983	23,582,727

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2009

	2009 US\$ '000	2008 US\$ '000
BALANCE AT 1 JANUARY ATTRIBUTABLE TO THE BANK'S EQUITY SHAREHOLDERS	1,995,435	2,309,720
Class A preference share dividend paid	-	(15,366)
Class B preference share dividend paid	(3,493)	(5,716)
Ordinary share dividend paid	(112,658)	(105,780)
Class B preference shares surrendered	(5,802)	(3,246)
Treasury shares purchased	(1,665)	(20)
Total comprehensive income (loss) for the year	341,706	(184,157)
BALANCE AT 31 DECEMBER ATTRIBUTABLE TO THE BANK'S EQUITY SHAREHOLDERS	2,213,523	1,995,435
NON-CONTROLLING INTERESTS	367,908	399,342
BALANCE AT 31 DECEMBER	2,581,431	2,394,777

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

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