

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three month period ended 31 March 2009 (Unaudited)

CONSOLIDATED STATEMENT OF INCOME

	Three months ended 31 March	
	2009 US\$ '000	2008 US\$ '000
Net interest income	107,028	97,581
Other operating income	105,609	94,525
TOTAL OPERATING INCOME	212,637	192,106
Provision for loan losses and contingencies - net	47,074	10,116
NET OPERATING INCOME	165,563	181,990
TOTAL OPERATING EXPENSES	60,422	68,508
PROFIT BEFORE TAX	105,141	113,482
NET PROFIT AFTER TAX FOR THE PERIOD	103,395	112,070
Attributable to:		
Bank's equity shareholders	85,939	94,306
Non-controlling interest	17,456	17,764
	103,395	112,070

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 31 March	
	2009 US\$ '000	2008 US\$ '000
Net profit after tax for the period	103,395	112,070
Other comprehensive income		
Directors' fees and donations	(2,168)	(2,002)
Currency translation adjustments	(66,399)	18,818
Net fair value movements during the period	37,362	(175,797)
Revaluation of freehold land	(2,037)	26,023
Total comprehensive income for the period	70,153	(20,888)
Total comprehensive income attributable to:		
Bank's equity shareholders	82,010	(36,146)
Non-controlling interest	(11,857)	15,258
	70,153	(20,888)

CONSOLIDATED STATEMENT OF CASH FLOWS

	Three months ended 31 March	
	2009 US\$ '000	2008 US\$ '000
Net cash from (used in) operating activities	25,038	(663,562)
Net cash from (used in) investing activities	409,361	(205,197)
Net cash used in financing activities	(166,309)	(113,706)
Foreign currency translation adjustments	(66,399)	18,818
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	201,691	(963,647)
Cash and cash equivalents at 1 January	2,446,908	2,376,886
CASH AND CASH EQUIVALENTS AT 31 MARCH	2,648,599	1,413,239

CONSOLIDATED BALANCE SHEET

	31 March 2009 US\$ '000	Audited 31 December 2008 US\$ '000
	ASSETS	
Cash and balances with central banks	535,591	392,251
Treasury bills and bonds	1,184,549	1,236,997
Trading securities	6,526	23,364
Deposits with banks and other financial institutions	3,695,474	2,867,959
Loans and advances	13,421,466	13,632,220
Non-trading investments	3,076,987	3,353,570
Investment in associates and joint venture	511,477	534,916
Premises and equipment	376,383	389,009
Other assets	538,535	517,871
Goodwill and other intangible assets	606,947	634,570
TOTAL ASSETS	23,953,935	23,582,727

LIABILITIES AND EQUITY

LIABILITIES		
Deposits from banks and other financial institutions	4,723,476	5,153,514
Customers' deposits	14,139,676	13,178,079
Term debts	1,350,000	1,350,000
Other liabilities	818,753	882,781
Subordinated liabilities	597,865	623,576
TOTAL LIABILITIES	21,629,770	21,187,950
EQUITY		
Ordinary share capital	1,194,339	1,126,561
Preference share capital	8,627	17,128
Reserves	757,041	851,746
Attributable to the Bank's equity shareholders	1,960,007	1,995,435
Non-controlling interest	364,158	399,342
TOTAL EQUITY	2,324,165	2,394,777
TOTAL LIABILITIES AND EQUITY	23,953,935	23,582,727

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Three months ended 31 March	
	2009 US\$ '000	2008 US\$ '000
BALANCE AT 1 JANUARY ATTRIBUTABLE TO THE BANK'S EQUITY SHAREHOLDERS	1,995,435	2,309,720
Total comprehensive income for the period	82,010	(36,146)
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	(1,287)	(1,175)
BALANCE AT 31 MARCH ATTRIBUTABLE TO THE BANK'S EQUITY SHAREHOLDERS	1,960,007	2,145,537
NON-CONTROLLING INTEREST	364,158	312,901
TOTAL EQUITY AT 31 MARCH	2,324,165	2,458,438

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

UNITED KINGDOM