

Company Profile - Ahli United Bank

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Last Updated: April 2, 2008

Company Profile for Ahli United Bank

Updated as of April 1, 2008

General Information

| Contact Information | |
|---------------------|--|
| Address | Al Seef District 428, P.O. Box 2424, Manama, Kingdom of Bahrain. |
| Phone | 973 17 585858 |
| Fax | 973 17 580569 |
| Web | www.ahliunited.com |
| Email | info@ahliunited.com |

Company Information

| | |
|----------------------------|---|
| Country | Bahrain |
| Industry | Banking |
| Stock Ticker | AUB |
| IPO Year | - |
| Listed Exchanges | Bahrain Stock Exchange |
| Number of Employees | 561 |
| External Auditors | Ernst & Young |
| Economic Activity | The company provide all types of commercial banking services. |

Company Profile for Ahli United Bank

Updated as of April 1, 2008

Top Executives

| Position | Name |
|-----------------|----------------------|
| Chairman | Mr. Fahad Al-rajaan |
| Deputy Chairman | Mr. Hamad Al-marzouq |
| Deputy Chairman | Mr. Rashid Al Meer |

Ahli United Bank B.S.C.

CONSOLIDATED STATEMENT OF INCOME

Year ended 31 December 2007

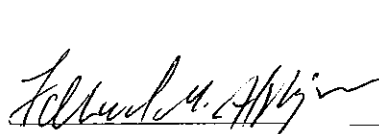
| | Note | 2007 <u>US\$ '000</u> | 2006 <u>US\$ '000</u> |
|---|------|--------------------------|--------------------------|
| Interest income | 4 | 1,310,634 | 966,514 |
| Interest expense | 5 | 982,516 | 688,058 |
| Net interest income | | <u>328,118</u> | <u>278,456</u> |
| Fees and commissions - net | 6 | 157,525 | 116,378 |
| Trading income - net | 7 | 44,068 | 17,251 |
| Gains on sale of available-for-sale investments | | 54,724 | 34,283 |
| Share of profit from associates | | 57,134 | 28,288 |
| Dividend income | | 17,811 | 13,215 |
| Other operating income | | 7,385 | 4,986 |
| | | <u>338,647</u> | <u>214,401</u> |
| OPERATING INCOME | | <u>666,765</u> | <u>492,857</u> |
| Provision for loan losses - net | 9e | 24,388 | 17,572 |
| Provision for impairment of non-trading investments and contingencies - net | 10 | 31,574 | 17,922 |
| | | <u>55,962</u> | <u>35,494</u> |
| NET OPERATING INCOME | | <u>610,803</u> | <u>457,363</u> |
| Staff costs | | 140,749 | 114,321 |
| Depreciation | | 15,750 | 14,187 |
| Other operating expenses | | 82,124 | 67,789 |
| OPERATING EXPENSES | | <u>238,623</u> | <u>196,297</u> |
| PROFIT BEFORE TAX | | <u>372,180</u> | <u>261,066</u> |
| Income tax expense | 21 | 12,354 | 3,243 |
| NET PROFIT FOR THE YEAR | | <u>359,826</u> | <u>257,823</u> |
| <i>Attributable to:</i> | | | |
| Bank's equity shareholders | | 296,317 | 207,480 |
| Minority interest | | 63,509 | 50,343 |
| | | <u>359,826</u> | <u>257,823</u> |
| EARNINGS PER SHARE ATTRIBUTABLE TO BANK'S EQUITY SHAREHOLDERS FOR THE YEAR : | | | |
| Basic earnings per share (US cents) | 22 | <u>9.1</u> | <u>6.4</u> |
| Diluted earnings per share (US cents) | 22 | <u>7.9</u> | <u>5.6</u> |

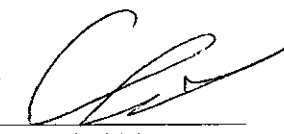
Ahli United Bank B.S.C.

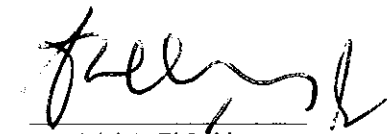
CONSOLIDATED BALANCE SHEET

31 December 2007

| | Note | <u>2007</u> US\$ '000 | <u>2006</u> US\$ '000 |
|---|------|--------------------------|--------------------------|
| ASSETS | | | |
| Cash and balances with central banks | 8 | 142,590 | 137,683 |
| Treasury bills and bonds | | 867,074 | 959,713 |
| Trading securities | | 112,201 | 75,829 |
| Deposits with banks and other financial institutions | | 4,396,781 | 6,011,145 |
| Loans and advances | 9 | 12,035,153 | 8,873,357 |
| Non-trading investments | 10 | 3,525,277 | 3,339,102 |
| Investments in associates | 11 | 768,471 | 554,280 |
| Premises and equipment | 12 | 292,461 | 146,501 |
| Other assets | 13 | 414,487 | 268,956 |
| Goodwill and other intangible assets | 14 | 495,357 | 432,341 |
| TOTAL ASSETS | | <u><u>23,049,852</u></u> | <u><u>20,798,907</u></u> |
| LIABILITIES, SUBORDINATED LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| Deposits from banks and other financial institutions | | 6,989,024 | 7,326,916 |
| Customers' deposits | 15 | 10,780,914 | 9,039,466 |
| Term debt | 16 | 1,350,000 | 1,542,497 |
| Other liabilities | 17 | 693,569 | 439,779 |
| Total liabilities | | <u><u>19,813,507</u></u> | <u><u>18,348,658</u></u> |
| SUBORDINATED LIABILITIES | 18 | <u><u>588,224</u></u> | <u><u>623,577</u></u> |
| EQUITY | | | |
| Ordinary share capital | 19 | 844,201 | 682,500 |
| Preference share capital | 19 | 173,001 | 148,941 |
| Reserves | 20 | 1,292,518 | 711,677 |
| Attributable to the Bank's equity shareholders | | 2,309,720 | 1,543,118 |
| Minority interest | | 338,401 | 283,554 |
| Total equity | | <u><u>2,648,121</u></u> | <u><u>1,826,672</u></u> |
| TOTAL LIABILITIES, SUBORDINATED LIABILITIES AND EQUITY | | <u><u>23,049,852</u></u> | <u><u>20,798,907</u></u> |


 Fahad Al-Rajaan
 Chairman
 Board of Directors


 Hamad Al-Marzouq
 Deputy Chairman
 Board of Directors


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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2007

| | Note | 2007 US\$ '000 | 2006 US\$ '000 |
|---|------|-------------------------|-------------------------|
| OPERATING ACTIVITIES | | | |
| Profit before tax | | 372,180 | 261,066 |
| Adjustments for: | | | |
| Depreciation | | 15,750 | 14,187 |
| Gains on sale of available-for-sale investments - net | | (54,724) | (34,283) |
| Provision for loan losses - net | 9 | 24,388 | 17,572 |
| Provision for impairment of non-trading investments, and contingencies - net | 10 | 31,574 | 17,922 |
| Share of profit from associates | | (57,134) | (28,288) |
| Staff costs - fair value amortisation of share based transactions | | 5,196 | 2,394 |
| Operating profit before changes in operating assets and liabilities | | <u>337,230</u> | <u>250,570</u> |
| Changes in: | | | |
| Mandatory reserve deposits with central banks | | (21,485) | (8,304) |
| Treasury bills and bonds | | 92,639 | 23,137 |
| Trading securities | | (36,372) | (23,064) |
| Deposits with banks and other financial institutions | | (359,380) | (711,016) |
| Loans and advances | | (3,186,184) | (2,904,533) |
| Other assets | | (145,531) | (37,703) |
| Deposits from banks and other financial institutions | | (337,892) | 3,486,719 |
| Customers' deposits | | 1,741,448 | 2,376,362 |
| Other liabilities | | 253,790 | 99,989 |
| Cash (used in) from operations | | <u>(1,661,737)</u> | <u>2,552,157</u> |
| Income tax paid | | (1,367) | (9,556) |
| Net cash (used in) from operating activities | | <u>(1,663,104)</u> | <u>2,542,601</u> |
| INVESTING ACTIVITIES | | | |
| Purchase of non-trading investments | | (1,270,425) | (1,474,034) |
| Proceeds from sale or redemption of non-trading investments | | 1,114,527 | 702,776 |
| Investments in associates | | (174,844) | (193,489) |
| Additional investment in a subsidiary | 2 | (74,611) | - |
| Increase in premises and equipment | | (67,420) | (33,376) |
| Net cash used in investing activities | | <u>(472,773)</u> | <u>(998,123)</u> |
| FINANCING ACTIVITIES | | | |
| Proceeds from rights issue | | 373,805 | - |
| Proceeds from issue of Class B preference shares | | 69,259 | 43,094 |
| (Repayment) increase of subordinated liabilities | † | (35,353) | 184,574 |
| (Repayment) increase of term debt | | (192,497) | 575,560 |
| Dividends and other appropriations paid | | (110,114) | (88,373) |
| Net cash from financing activities | | <u>105,100</u> | <u>714,855</u> |
| Foreign currency translation adjustments | | 40,455 | 635 |
| (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | | <u>(1,990,322)</u> | <u>2,259,968</u> |
| Cash and cash equivalents at 1 January | | <u>4,367,208</u> | <u>2,107,240</u> |
| CASH AND CASH EQUIVALENTS AT 31 DECEMBER | 23 | <u><u>2,376,886</u></u> | <u><u>4,367,208</u></u> |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2007

| | <i>Attributable to Bank's equity shareholders</i> | | | | | | | | | | | | <i>Total</i> <i>US\$ '000</i> |
|---|---|---|--|--|--|--|---|--|---|--|---|--|----------------------------------|
| | <i>Reserves</i> | | | | | | | | | | | <i>Minority</i> <i>interest</i> <i>US\$ '000</i> | |
| | <i>Ordinary</i> <i>share</i> <i>capital</i> <i>US\$ '000</i> | <i>Preference</i> <i>share</i> <i>capital</i> <i>US\$ '000</i> | <i>Share</i> <i>premium</i> <i>US\$ '000</i> | <i>Capital</i> <i>reserve</i> <i>US\$ '000</i> | <i>Statutory</i> <i>reserve</i> <i>US\$ '000</i> | <i>Revaluation</i> <i>reserve</i> <i>US\$ '000</i> | <i>Foreign</i> <i>currency</i> <i>translation</i> <i>adjustments</i> <i>US\$ '000</i> | <i>Retained</i> <i>earnings</i> <i>US\$ '000</i> | <i>Proposed</i> <i>appro-</i> <i>riations</i> <i>US\$ '000</i> | <i>Cumulative</i> <i>changes in</i> <i>fair values</i> <i>US\$ '000</i> | <i>Total</i> <i>reserves</i> <i>US\$ '000</i> | | |
| Balance at 31 December 2006 | 682,500 | 148,941 | 235,820 | 307 | 71,420 | - | (4,375) | 158,901 | 112,097 | 137,507 | 711,677 | 283,554 | 1,826,672 |
| Directors' fees paid | - | - | - | - | - | - | - | - | (833) | - | (833) | - | (833) |
| Donations approved | - | - | - | - | - | - | - | - | (500) | - | (500) | - | (500) |
| Currency translation adjustments | - | - | - | - | - | - | 40,455 | - | - | - | 40,455 | - | 40,455 |
| Net fair value movements during the period (note 20(f)) | - | - | - | - | - | - | - | - | - | 4,573 | 4,573 | 21,230 | 25,803 |
| Revaluation of freehold land (note 12) | - | - | - | - | - | 94,290 | - | - | - | - | 94,290 | 2,718 | 97,008 |
| Net income recognised directly in equity | - | - | - | - | - | 94,290 | 40,455 | - | (1,333) | 4,573 | 137,985 | 23,948 | 161,933 |
| Net profit for the year | - | - | - | - | - | - | - | 296,317 | - | - | 296,317 | 63,509 | 359,826 |
| Total recognised income and expense for the year | - | - | - | - | - | 94,290 | 40,455 | 296,317 | (1,333) | 4,573 | 434,302 | 87,457 | 521,759 |
| Class A preference share dividend paid (note 20) | - | - | - | - | - | - | - | - | (14,288) | - | (14,288) | - | (14,288) |
| Class B preference share dividend paid (note 20) | - | - | - | - | - | - | - | - | (926) | - | (926) | - | (926) |
| Ordinary share dividend paid (note 20) | - | - | - | - | - | - | - | - | (95,550) | - | (95,550) | (34,868) | (130,418) |
| Bonus shares issued (note 19(b)) | 68,250 | - | - | - | - | - | - | (68,250) | - | - | (68,250) | - | - |
| Other equity movements of a subsidiary | - | - | - | - | - | - | - | - | - | - | - | 2,258 | 2,258 |
| Rights issue (note 19(b)) | 93,451 | - | 280,354 | - | - | - | - | - | - | - | 280,354 | - | 373,805 |
| Class B preference shares issued (note 19(b)) | - | 24,060 | 45,199 | - | - | - | - | - | - | - | 45,199 | - | 69,259 |
| Transfer to statutory reserve (note 20(c)) | - | - | - | - | 29,632 | - | - | (29,632) | - | - | - | - | - |
| Proposed dividend on Class A preference shares – convertible portion (note 20(e)) | - | - | - | - | - | - | - | (15,366) | 15,366 | - | - | - | - |
| Proposed dividend on Class B preference shares (note 20(e)) | - | - | - | - | - | - | - | (5,716) | 5,716 | - | - | - | - |
| Proposed dividend on ordinary shares (note 20(e)) | - | - | - | - | - | - | - | (105,780) | 105,780 | - | - | - | - |
| Proposed directors' fees | - | - | - | - | - | - | - | (1,002) | 1,002 | - | - | - | - |
| Proposed donations | - | - | - | - | - | - | - | (1,000) | 1,000 | - | - | - | - |
| Balance at 31 December 2007 | 844,201 | 173,001 | 561,373 | 307 | 101,052 | 94,290 | 36,080 | 228,472 | 128,864 | 142,080 | 1,292,518 | 338,401 | 2,648,121 |

The attached notes 1 to 37 form part of these consolidated financial statements.

Ahli United Bank B.S.C.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2007

Attributable to Bank's equity shareholders

| | Reserves | | | | | | | | | | | | Total |
|--|---|---|-------------------------------|---------------------------------|-----------------------------------|-------------------------------------|---|-----------------------------------|--|--|--------------------------------|-----------------------------------|-----------|
| | Ordinary share capital US\$ '000 | Preference share capital US\$ '000 | Share premium US\$ '000 | Capital reserve US\$ '000 | Statutory reserve US\$ '000 | Revaluation reserve US\$ '000 | Foreign | | Proposed appro- priations US\$ '000 | Cumulative changes in fair values US\$ '000 | Total reserves US\$ '000 | Minority interest US\$ '000 | |
| | | | | | | | currency translation adjustments US\$ '000 | Retained earnings US\$ '000 | | | | | |
| Balance at 31 December 2005 | 650,000 | 125,000 | 216,667 | 307 | 50,672 | - | (5,010) | 116,766 | 89,403 | 123,813 | 592,618 | 255,580 | 1,623,198 |
| Directors' fees paid | - | - | - | - | - | - | - | - | (617) | - | (617) | - | (617) |
| Donations approved | - | - | - | - | - | - | - | - | (413) | - | (413) | - | (413) |
| Currency translation adjustments | - | - | - | - | - | - | 635 | - | - | - | 635 | - | 635 |
| Net fair value movements during the period (note 20(f)) | - | - | - | - | - | - | - | - | - | 13,694 | 13,694 | 3,553 | 17,247 |
| Net income recognised directly in equity | - | - | - | - | - | - | 635 | - | (1,030) | 13,694 | 13,299 | 3,553 | 16,852 |
| Net profit for the year | - | - | - | - | - | - | - | 207,480 | - | - | 207,480 | 50,343 | 257,823 |
| Total recognised income and expense for the year | - | - | - | - | - | - | 635 | 207,480 | (1,030) | 13,694 | 220,779 | 53,896 | 274,675 |
| Class A preference share dividend paid | - | - | - | - | - | - | - | - | (10,373) | - | (10,373) | - | (10,373) |
| Class B preference share dividend paid | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Ordinary share dividend paid | - | - | - | - | - | - | - | - | (78,000) | - | (78,000) | (22,107) | (100,107) |
| Bonus shares issued | 32,500 | - | - | - | - | - | - | (32,500) | - | - | (32,500) | - | - |
| Other equity movements of a subsidiary | - | - | - | - | - | - | - | - | - | - | - | (3,815) | (3,815) |
| Class B preference shares issued (note 19(b)) | - | 23,941 | 19,153 | - | - | - | - | - | - | - | 19,153 | - | 43,094 |
| Transfer to statutory reserve (note 20(c)) | - | - | - | - | 20,748 | - | - | (20,748) | - | - | - | - | - |
| Proposed dividend on Class A preference shares – convertible portion (note 20(e)) | - | - | - | - | - | - | - | (14,288) | 14,288 | - | - | - | - |
| Proposed dividend on Class B preference shares (note 20(e)) | - | - | - | - | - | - | - | (926) | 926 | - | - | - | - |
| Proposed dividend on ordinary shares (note 20(e)) | - | - | - | - | - | - | - | (95,550) | 95,550 | - | - | - | - |
| Proposed directors' fees | - | - | - | - | - | - | - | (833) | 833 | - | - | - | - |
| Proposed donations | - | - | - | - | - | - | - | (500) | 500 | - | - | - | - |
| Balance at 31 December 2006 | 682,500 | 148,941 | 235,820 | 307 | 71,420 | - | (4,375) | 158,901 | 112,097 | 137,507 | 711,677 | 283,554 | 1,826,672 |

The attached notes 1 to 37 form part of these consolidated financial statements.

Company Profile for Ahli United Bank

Updated as of April 1, 2008

March's Stock Market Information - AUB

Currency : USD

| Dates | Closing Price |
|--------------|----------------------|
| 3/31/2008 | 1.25 |
| 3/30/2008 | 1.25 |
| 3/29/2008 | - |
| 3/28/2008 | - |
| 3/27/2008 | 1.24 |
| 3/26/2008 | 1.25 |
| 3/25/2008 | 1.27 |
| 3/24/2008 | 1.27 |
| 3/23/2008 | 1.28 |
| 3/22/2008 | - |
| 3/21/2008 | - |
| 3/20/2008 | - |
| 3/19/2008 | 1.28 |
| 3/18/2008 | 1.24 |
| 3/17/2008 | 1.2 |
| 3/16/2008 | 1.29 |
| 3/15/2008 | - |
| 3/14/2008 | 1.29 |
| 3/13/2008 | 1.28 |
| 3/12/2008 | 1.3 |
| 3/11/2008 | 1.31 |
| 3/10/2008 | 1.34 |
| 3/9/2008 | 1.4 |
| 3/8/2008 | - |
| 3/7/2008 | 1.4 |
| 3/6/2008 | - |
| 3/5/2008 | - |
| 3/4/2008 | - |
| 3/3/2008 | - |
| 3/2/2008 | - |
| 3/1/2008 | - |

Company Profile for Ahli United Bank

Updated as of April 1, 2008

February's Stock Market Information - AUB

Currency : USD

| Dates | Closing Price |
|--------------|----------------------|
| 2/29/2008 | - |
| 2/28/2008 | 1.38 |
| 2/27/2008 | 1.38 |
| 2/26/2008 | 1.4 |
| 2/25/2008 | 1.38 |
| 2/24/2008 | - |
| 2/24/2008 | - |
| 2/22/2008 | - |
| 2/21/2008 | 1.41 |
| 2/20/2008 | 1.42 |
| 2/19/2008 | 1.42 |
| 2/18/2008 | 1.39 |
| 2/5/2008 | - |
| 2/4/2008 | - |
| 2/3/2008 | 1.4 |
| 2/2/2008 | - |
| 2/1/2008 | - |

Company Profile for Ahli United Bank

Updated as of April 1, 2008

January's Stock Market Information - AUB

Currency : USD

| Dates | Closing Price |
|--------------|----------------------|
| 1/31/2008 | - |
| 1/30/2008 | - |
| 1/29/2008 | 1.35 |
| 1/28/2008 | 1.35 |
| 1/27/2008 | 1.35 |
| 1/26/2008 | - |
| 1/25/2008 | - |
| 1/24/2008 | 1.35 |
| 1/23/2008 | - |
| 1/22/2008 | 1.35 |
| 1/21/2008 | - |
| 1/20/2008 | - |
| 1/19/2008 | - |
| 1/18/2008 | - |
| 1/17/2008 | 1.4 |
| 1/16/2008 | - |
| 1/15/2008 | 1.42 |
| 1/14/2008 | 1.41 |
| 1/13/2008 | 1.4 |
| 1/12/2008 | - |
| 1/11/2008 | - |
| 1/10/2008 | - |
| 1/9/2008 | 1.42 |
| 1/8/2008 | 1.39 |
| 1/7/2008 | 1.39 |
| 1/6/2008 | - |
| 1/5/2008 | - |
| 1/4/2008 | - |
| 1/3/2008 | 1.38 |
| 1/2/2008 | 1.35 |
| 1/1/2008 | - |

Ahli United Bank B.S.C.

INTERIM CONSOLIDATED STATEMENT OF INCOME

Nine month period ended 30 September 2007 (Unaudited)

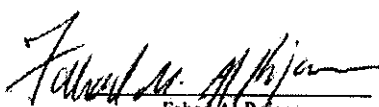
| | Note | Three months ended | | Nine months ended | |
|---|------|--------------------|-----------|-------------------|-----------|
| | | 30 September | | 30 September | |
| | | 2007 | 2006 | 2007 | 2006 |
| | | US\$ '000 | US\$ '000 | US\$ '000 | US\$ '000 |
| OPERATING INCOME | | | | | |
| Interest income | | 338,083 | 269,546 | 953,996 | 670,450 |
| Interest expense | | 250,228 | 194,712 | 713,698 | 465,947 |
| Net interest income | | 87,855 | 74,834 | 240,298 | 204,503 |
| Fees and commissions - net | | 46,402 | 28,823 | 112,073 | 86,291 |
| Trading income | | 11,112 | 5,905 | 30,314 | 10,622 |
| Gains on sale of non-trading investments | | 10,519 | 4,890 | 39,056 | 22,403 |
| Share of profit from associates | | 13,242 | 7,865 | 42,143 | 21,916 |
| Dividend income | 3 | 801 | 266 | 15,753 | 12,026 |
| Other operating income | | 1,549 | 1,945 | 5,441 | 5,736 |
| | | 83,625 | 49,694 | 244,780 | 158,994 |
| NET INTEREST AND OTHER INCOME | | 171,480 | 124,528 | 485,078 | 363,497 |
| Provisions for loan losses, impairment of non-trading investments, other assets and contingencies-net | | 17,193 | 5,249 | 29,829 | 16,321 |
| OPERATING INCOME AFTER PROVISIONS | | 154,287 | 119,279 | 455,249 | 347,176 |
| OPERATING EXPENSES | | | | | |
| Staff costs | | 35,833 | 31,064 | 105,357 | 85,230 |
| Depreciation | | 3,813 | 4,061 | 9,947 | 9,491 |
| Other operating expenses | | 18,575 | 14,284 | 53,046 | 45,015 |
| | | 58,221 | 49,409 | 168,350 | 139,736 |
| PROFIT BEFORE TAXATION | | 96,066 | 69,870 | 286,899 | 207,440 |
| Income tax expense | | 6,967 | 3,282 | 12,276 | 7,457 |
| NET PROFIT FOR THE PERIOD | | 89,099 | 66,588 | 274,623 | 199,983 |
| Attributable to: | | | | | |
| Bank's equity shareholders | | 75,223 | 56,486 | 225,949 | 164,342 |
| Minority interest | | 13,876 | 10,102 | 48,674 | 35,641 |
| | | 89,099 | 66,588 | 274,623 | 199,983 |
| EARNINGS PER SHARE: | | | | | |
| Basic (US cents) | 4 | 2.50 | 1.88 | 7.52 | 5.47 |
| Diluted (US cents) | 4 | 1.98 | 1.50 | 5.94 | 4.37 |

Ahli United Bank B.S.C.

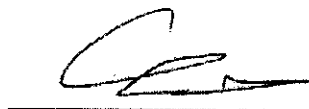
INTERIM CONSOLIDATED BALANCE SHEET

30 September 2007 (Unaudited)

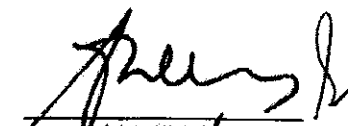
| | | <i>Audited</i> |
|---|---------------------|--------------------|
| | <i>30 September</i> | <i>31 December</i> |
| | <i>2007</i> | <i>2006</i> |
| | <i>US\$ '000</i> | <i>US\$ '000</i> |
| <i>Note</i> | | |
| ASSETS | | |
| Cash and balances with central banks | 386,737 | 137,683 |
| Treasury bills and bonds | 833,673 | 959,713 |
| Trading securities | 108,493 | 75,829 |
| Deposits with banks and other financial institutions | 4,210,527 | 6,011,145 |
| Loans and advances | 10,884,207 | 8,873,357 |
| Non-trading investments | 3,622,659 | 3,339,102 |
| Investment in associates | 664,486 | 554,280 |
| Premises and equipment | 275,449 | 146,501 |
| Other assets | 416,008 | 268,956 |
| Goodwill and other intangible assets | 479,404 | 432,341 |
| TOTAL ASSETS | 21,881,643 | 20,798,907 |
| LIABILITIES, SUBORDINATED LIABILITIES AND EQUITY | | |
| LIABILITIES | | |
| Deposits from banks and other financial institutions | 7,395,303 | 6,919,919 |
| Customers' deposits | 9,871,613 | 9,039,466 |
| Certificates of deposits | - | 406,997 |
| Term debt | 1,200,000 | 1,542,497 |
| Other liabilities | 571,105 | 439,779 |
| | 19,038,021 | 18,348,658 |
| SUBORDINATED LIABILITIES | 622,163 | 623,577 |
| EQUITY | | |
| Ordinary share capital | 5 750,750 | 682,500 |
| Preference share capital | 5 173,198 | 148,941 |
| Reserves | 974,977 | 711,677 |
| Attributable to the Bank's equity shareholders | 1,898,925 | 1,543,118 |
| Minority interest | 322,534 | 283,554 |
| | 2,221,459 | 1,826,672 |
| TOTAL LIABILITIES, SUBORDINATED LIABILITIES AND EQUITY | 21,881,643 | 20,798,907 |



Fahad Al-Rajaan
Chairman
Board of Directors



Hamad Al-Marzouq
Deputy Chairman
Board of Directors



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

Ahli United Bank B.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Nine month period ended 30 September 2007 (Unaudited)

| | <i>Nine months ended</i> | |
|--|--------------------------|------------------|
| | <i>30 September</i> | |
| | <i>2007</i> | <i>2006</i> |
| | <i>US\$ '000</i> | <i>US\$ '000</i> |
| Net cash (used in) from operating activities | (911,973) | 1,740,727 |
| Net cash used in investing activities | (374,879) | (120,899) |
| Net cash used in financing activities | (383,971) | (146,089) |
| Foreign currency translation adjustments | 29,087 | (7,129) |
| (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | (1,641,736) | 1,466,610 |
| Cash and cash equivalents at 1 January | 4,367,208 | 2,107,240 |
| CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER | 2,725,472 | 3,573,850 |
| Comprising: | | |
| Cash and balances with central banks, excluding mandatory reserve deposits | 319,881 | 80,889 |
| Deposits with banks and other financial institutions with an original maturity of three months or less | 2,405,591 | 3,492,961 |
| | 2,725,472 | 3,573,850 |

Ahli United Bank B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Nine month period ended 30 September 2007 (Unaudited)

| | <i>Attributable to Bank's equity shareholders</i> | | | | | | | | | | | | |
|--|---|---|--------------------------|----------------------------|------------------------------|--------------------------------|------------------------------------|------------------------------|------------------------------------|--|---------------------------|------------------------------|------------------|
| | <i>Ordinary share capital</i> | <i>Preference share capital</i> | <i>Share premium</i> | <i>Capital reserve</i> | <i>Statutory reserve</i> | <i>Revaluation reserve</i> | <i>Translation adjustments</i> | <i>Retained earnings</i> | <i>Proposed appropriations</i> | <i>Cumulative changes in fair values</i> | <i>Total reserves</i> | <i>Minority interest</i> | <i>Total</i> |
| | <i>US\$ '000</i> | <i>US\$ '000</i> | <i>US\$ '000</i> | <i>US\$ '000</i> | <i>US\$ '000</i> | <i>US\$ '000</i> | <i>US\$ '000</i> | <i>US\$ '000</i> | <i>US\$ '000</i> | <i>US\$ '000</i> | <i>US\$ '000</i> | <i>US\$ '000</i> | <i>US\$ '000</i> |
| Balance at 31 December 2006 | 682,500 | 148,941 | 235,820 | 307 | 71,420 | - | (4,375) | 158,901 | 112,097 | 137,507 | 711,677 | 283,554 | 1,826,672 |
| Directors' fees paid | - | - | - | - | - | - | - | - | (833) | - | (833) | - | (833) |
| Donations approved for payment | - | - | - | - | - | - | - | - | (500) | - | (500) | - | (500) |
| Currency translation adjustments | - | - | - | - | - | - | 29,087 | - | - | - | 29,087 | - | 29,087 |
| Net fair value movements | | | | | | | | | | | | | |
| during the period | - | - | - | - | - | - | - | - | - | 45,291 | 45,291 | 21,352 | 66,643 |
| Revaluation of freehold land | - | - | - | - | - | 97,524 | - | - | - | - | 97,524 | 2,653 | 100,177 |
| Net income recognised directly in equity | - | - | - | - | - | 97,524 | 29,087 | - | (1,333) | 45,291 | 170,569 | 24,005 | 194,574 |
| Net profit for the period | - | - | - | - | - | - | - | 225,949 | - | - | 225,949 | 48,674 | 274,623 |
| Total recognised income and expense for the period | - | - | - | - | - | 97,524 | 29,087 | 225,949 | (1,333) | 45,291 | 396,518 | 72,679 | 469,197 |
| Other equity movements of a subsidiary | - | - | - | - | - | - | - | - | - | - | - | (33,699) | (33,699) |
| Class A preference share dividend paid | - | - | - | - | - | - | - | - | (14,288) | - | (14,288) | - | (14,288) |
| Class B preference share dividend paid | - | - | - | - | - | - | - | - | (926) | - | (926) | - | (926) |
| Ordinary share dividend paid | - | - | - | - | - | - | - | - | (95,550) | - | (95,550) | - | (95,550) |
| Bonus shares issued (Note 5) | 68,250 | - | - | - | - | - | - | (68,250) | - | - | (68,250) | - | - |
| Class B preference shares issued (Note 5) | - | 24,257 | 45,796 | - | - | - | - | - | - | - | 45,796 | - | 70,053 |
| Balance at 30 September 2007 | 750,750 | 173,198 | 281,616 | 307 | 71,420 | 97,524 | 24,712 | 316,600 | - | 182,798 | 974,977 | 322,534 | 2,221,459 |

Ahli United Bank B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Nine month period ended 30 September 2007 (Unaudited)

| | <i>Attributable to Bank's equity shareholders</i> | | | | | | | | | | | | <i>Total</i> <i>US\$ '000</i> |
|---|---|---|--|--|--|--|--|--|--|--|---|--|----------------------------------|
| | <i>Ordinary</i> <i>share</i> <i>capital</i> <i>US\$ '000</i> | <i>Preference</i> <i>share</i> <i>capital</i> <i>US\$ '000</i> | <i>Share</i> <i>premium</i> <i>US\$ '000</i> | <i>Capital</i> <i>reserve</i> <i>US\$ '000</i> | <i>Statutory</i> <i>reserve</i> <i>US\$ '000</i> | <i>Revaluation</i> <i>reserve</i> <i>US\$ '000</i> | <i>Translation</i> <i>adjustments</i> <i>US\$ '000</i> | <i>Retained</i> <i>earnings</i> <i>US\$ '000</i> | <i>Proposed</i> <i>appropriations</i> <i>US\$ '000</i> | <i>Cumulative</i> <i>changes in</i> <i>fair values</i> <i>US\$ '000</i> | <i>Total</i> <i>reserves</i> <i>US\$ '000</i> | <i>Minority</i> <i>interest</i> <i>US\$ '000</i> | |
| | | | | | | | | | | | | | |
| Balance at 31 December 2005 | 650,000 | 125,000 | 216,667 | 307 | 50,672 | - | (5,010) | 116,766 | 89,403 | 123,813 | 592,618 | 255,580 | 1,623,198 |
| Directors' fees paid | - | - | - | - | - | - | - | - | (617) | - | (617) | - | (617) |
| Donations approved for payment | - | - | - | - | - | - | - | - | (413) | - | (413) | - | (413) |
| Currency translation adjustments | - | - | - | - | - | - | (7,129) | - | - | - | (7,129) | - | (7,129) |
| Net fair value movements during the period | - | - | - | - | - | - | - | - | - | 13,115 | 13,115 | 3,032 | 16,147 |
| Net income recognised directly in equity | - | - | - | - | - | - | (7,129) | - | (1,030) | 13,115 | 4,956 | 3,032 | 7,988 |
| Net profit for the period | - | - | - | - | - | - | - | 164,342 | - | - | 164,342 | 35,641 | 199,983 |
| Total recognised income and expense for the period | - | - | - | - | - | - | (7,129) | 164,342 | (1,030) | 13,115 | 169,298 | 38,673 | 207,971 |
| Other equity movements of a subsidiary | - | - | - | - | - | - | - | - | - | - | - | (19,390) | (19,390) |
| Class A preference share dividend paid | - | - | - | - | - | - | - | - | (10,373) | - | (10,373) | - | (10,373) |
| Ordinary share dividend paid | - | - | - | - | - | - | - | - | (78,000) | - | (78,000) | - | (78,000) |
| Bonus shares issued (Note 5) | 32,500 | - | - | - | - | - | - | (32,500) | - | - | (32,500) | - | - |
| Class B preference shares issued (Note 5) | - | 23,718 | 18,974 | - | - | - | - | - | - | - | 18,974 | - | 42,692 |
| Balance at 30 September 2006 | 682,500 | 148,718 | 235,641 | 307 | 50,672 | - | (12,139) | 248,608 | - | 136,928 | 660,017 | 274,863 | 1,766,098 |