

ABC 54% rise in profits in 3Q 2006

Arab Banking Corporation (ABC) net profit in the first nine months of 2006 rose 54% to US\$151 million over the first three quarters of 2005, according to the Bahrain-based group.

ABC's total income rose to US \$339 million (2005: \$250 million). Operating expenses increased to \$189 million (2005: \$145 million) mainly due to a rise in staff costs. ABC's total assets amounted to \$22.0 billion (2005 year end: \$17.6 billion). Liquidity remains strong, with the liquid assets to deposits ratio at 74% (2005: 75%). The loans to deposits ratio decreased marginally to 49% (2005: 51%). ABC continues to maintain a strong capital base, as shown in the risk asset ratio of 16.8% at September 2006 (December 2005: 21.0%).



ABC's Ghazi Abdul Jawad

Ahli United reports 26% rise in profits

Ahli United Bank (AUB) reported a net profit of US\$164.3 million for the nine month period ended September 2006, a 26% increase over the same period in 2005 (\$130.4 million).

"We are on track to surpass our previous achievements," said AUB Chairman **Fahad Al-Rajaan** (pictured). AUB's net interest and other income totalled \$363.5 million (2005: \$237.4 million), an increase of 53.1%. ROAE was 15.8% compared to 14.4% for the 2005 period. AUB's total assets stood at \$19.1 billion, an increase of 37.4% over 31 December 2005. The growth was funded by an increase in customer deposits by \$3.6 billion (+54%) and interbank deposits by \$1.1 billion (+28%) compared to 31 December 2005. Al Rajaan said the bank's expansion into Egypt through investment in Delta International Bank was "a significant milestone for us as a Group."



Albaraka Group Net income up 39%

Albaraka Banking Group (ABG), the Bahrain-based Islamic banking group, reported strong growth in net income — US\$ 83.05 million during the first nine months of 2006, compared to \$59.67 million for the same period last year, a 39% increase. Total assets rose to \$7.4 billion from \$5.8 billion; sales receivable grew by \$1.2 billion to reach \$3.9 billion. Customer deposit and investment accounts rose by US\$ 1.1 billion to reach \$5.6 billion. ABG Chairman **Shaikh Saleh Abdullah Kamel** (pictured) said the group plans to substantially expand operations in both its existing markets and new areas. ABG CEO **Adnan Ahmed Yousif** cited initiatives to develop the group subsidiaries, augment human resources, technology and supervisory control, "in addition to our success in unifying the Group's strategic direction."



APICORP reports \$52.9m net income

Arab Petroleum Investments Corporation (APICORP), an affiliate of the Organisation of Arab Petroleum Exporting Countries (OAPEC), announced its net income for the first nine months of 2006 rose to \$52.9 million, whereas total assets rose to \$2,776 million, compared to \$2,342 million at the beginning of the year, an 18.5% increase. Total shareholder equity grew to \$967 million from \$849 million at the beginning of year. APICORP CEO and General Manager **Ahmad Bin Hamad Al-Nuaimi** (pictured) said project and trade financing during the July-September quarter amounted to \$2.2 billion, with APICORP's final take of \$220 million. The facilities were offered to oil related industries in member Arab countries. APICORP has also offered financial advisory services to a number of petroleum-related projects.



ANB Profits rise 38% to \$518 million

Arab National Bank's net profit for the nine months of 2006 increased by 38% to \$518.67 million compared to \$376.54 million for the same period last year. Earnings per share increased to SAR 5.98 from SAR 4.34. The third quarter profit reached \$157.6 million compared to \$138.67 million for the same period last year, a 14% increase which was the result of a 25% rise in operating income, \$780.54 million. Total assets rose to \$19.52 billion and shareholders' equity reached \$2.03 billion. The annualised return on equity was 37%. CEO **Dr Robert Eid** (pictured) said "the balanced and outstanding growth of the Saudi economy" contributed to the favourable business environment enjoyed by the banking sector."



Burgan reports 48% higher profit

Burgan Bank announced a 48% increase in net profit, which reached KD 43 million for the first nine months. Net profit for the third quarter rose 61%. The bank's operating income increased by 48% to KD 49.8 million due to momentum in lending activities, improved spreads resulting in a 37% increase in net interest income. One of the most substantial results, the bank said, has been in non-interest income thanks to robust growth in non-cash assets and FX trading, rising by 37%. Commenting on the results and the bank's performance, Chairman **Sheikh Mohamed Abdul Aziz Al-Jarrah Al-Sabah** (pictured) said the bank had consistently made significant gains and performance figures indicated "there are no indications of a slowdown." The adoption of state-of-the-art services and groundbreaking technology has positioned the bank as a trendsetter in the domestic market. Driven by challenge, Burgan Bank is actively working towards raising banking standards in the State of Kuwait.



CIB reports 37% rise in profits.

Commercial International Bank reported a strong increase of 37% year on year in third quarter 2006 net profit. Lending growth continued to show acceleration in line with the trend seen over the past two quarters. Total net loans rose 22%, driven by strong growth in both retail and corporate lending. Deposit growth accelerated to 15%. CIB's management has upgraded its lending growth estimates to 20-22% year on year growth for the next three years. The bank recently announced it will launch a banking subsidiary in Algeria, expected to start operations by mid-2007. In addition, CIB is looking to expand in the Levant region and Saudi Arabia, although no further details have been unveiled yet.



CIB's Hisham Ezz Al-Arab

Doha Bank maintains performance ratios

Doha Bank's net profit for the third quarter of 2006 rose to QR 607.5 million, compared to QR 516.9 million for the same period in 2005. Deposits have grown by 41% to QR 12.7 billion from QR 9 billion for the same period last year. Advances increased to QR 10.8 billion from QR 7.1 billion for the same period last year, registering a growth of 53%. Total assets increased by 39.4% to QR 18.3 billion from QR 13.1 billion as at 30th September 2005. Doha Bank Chairman Sheikh Fahad Bin Mohammad Bin Jabor Al-Thani (pictured), said, "We have been consistently maintaining the best performance ratios, beating the general market trend." Deputy CEO Seetharaman said the bank's "innovative products and services" are unmatched in the market and are "tailor-made to suit the requirements of the various business segments of the country."



September 2005. Doha Bank Chairman Sheikh Fahad Bin Mohammad Bin Jabor Al-Thani (pictured), said, "We have been consistently maintaining the best performance ratios, beating the general market trend." Deputy CEO Seetharaman said the bank's "innovative products and services" are unmatched in the market and are "tailor-made to suit the requirements of the various business segments of the country."

GIB reports 18% rise in profits

Gulf International Bank BSC (GIB) reported net income of \$193.3 million for the nine months ended September 2006, representing a \$28.9 million or 18% increase over the prior year period. The year-on-year advance reflected increases in both interest and non-interest earnings, a decrease in expenses, and a lower level of provisions for credit losses. Net interest income at \$149.1 million was \$15.0 million or 11% up on the prior year period. Interest earnings generated by the bank's GCC lending activities rose as a result of significantly higher loan volumes. Total assets were \$24.5 billion, up \$1.7 billion.



GIB CEO Khaled M Fayed

Gulf Bank profits up to \$263m

Gulf Bank reported a record net profit of \$263 million (KD76.1 million) for the first nine months of 2006, an increase of 25% over the corresponding period in 2005. Operating income rose by 28% while total assets grew by 50% to \$12.3 billion (KD3.57 billion).

"The record earnings and profit tell an extraordinary story of growth and success for Gulf Bank," said Bassam Y Alghanim, Gulf Bank's Chairman & Managing Director (pictured). "Gulf Bank is a key strategic player in Kuwait's banking sector. With our disciplined strategy for sustained growth across our Retail, Corporate, International and Treasury groups, Gulf Bank has been able to take full advantage of the region's buoyant economic conditions. We are one of the fastest growing banks in the region and Gulf Bank's return on equity improved by 12% to 30.9% while return on assets remained strong at 3.30%. These ratios are exceptionally high by international banking standards."



Sana Juma, Gulf Bank's Acting Chief General Manager, said, "Gulf Bank strives to set the industry benchmark for outstanding customer service. Our customer-centric strategy has been rewarded with solid and consistent growth in our market share."

Gulf Finance House Profit up 90%

Continuing its historical trend of strong growth, Gulf Finance House (GFH) announced third quarter results with cumulative net profit rising 90% to US\$176 million compared to US\$92 million in 2005. The third quarter profit for the year 2006 rose by 98% to US\$59 million (September 2005 US\$ 30 million).

Total assets reached US\$1,297 million, up by 55% compared to US\$840 million in the corresponding period in 2005.

CEO Esam Janahi (pictured) said the bank's new venture in India, Energy City India, was "a major step forward in our emerging engagement with mature markets in Asia." GFH has also ventured into Morocco



and Egypt in the former to develop a US\$ 1.4 billion Gateway to Morocco project and in Egypt a US\$1 billion holding company, which will undertake feasibility studies and identify opportunities to invest in the country's transportation infrastructure. The holding company plans to raise equity and Islamic finance to fund US\$ 30 billion infrastructural development project in Egypt.

Gulf Finance House recently announced the completion of a \$300 million international Sharia compliant three-year revolving credit facility in London, in a pronounced move into the European financial markets. The transaction was three times subscribed, with over a quarter of investors coming from Europe and Asia. In total, 30 banks supported the facility. It will replace a previous \$90 million facility which will expire in June 2007. WestLB and RZB acted as joint lead arrangers, co-underwriters and joint book runners. WestLB also acted as the investment agent.

AD Concorde

**Sheikh Mohammed
Abdul Aziz “ Burgan
Bank”**

KIPCO profit up 45% to US\$131.5m

KIPCO, the Kuwait Projects Company, announced a 45 % increase in its 2006 nine months net profit to KD 38.0 million (\$131.5 million), a KD 11.7 million (\$40.5 million) increase compared to the nine months profit of KD 26.3 million (\$91.0 million) in 2005.

The nine-month net profit figure of KD 38.0 million puts KIPCO well on target to achieve its 2006 full year net profit figure of KD 47.0 million (\$162.5 million) predicted by KIPCO's Managing Director and CEO, Faisal Al Ayyar (pictured) earlier this year. Earnings per share in the first nine months of 2006



increased 43 % to 37 fils (12.8 cents), a rise of 11 fils (3.8 cents) compared to 26 fils (9.0 cents) in the same period of 2005. Revenues for the nine months ended September 2006 jumped 51 % to KD 111.4 million (\$385.3 million), up by KD 37.6 million (\$130.1 million) against KD 73.8 million (\$255.2 million) in the first nine months of 2005.

Markaz Reports KD3.44 million profit

Kuwait Financial Centre, Markaz, made a profit of KD 3.44 million or eight fils per share in the third quarter which reversed the losses from the end of the second quarter into a profit of five fils per share for the first nine months of the year. Markaz results for the period are a net profit of KD 1.978 million or five fils per share compared with a net profit of KD 28.204 million and 65 fils earning per share for the first nine months of 2005.

Markaz assets under management totalled KD 1.25 billion by the end of September 2006. Since the beginning of the year, asset management activities at Markaz remained strong with the launch of new investment funds. These include Markaz GCC Fund, a fund that invests in equities listed in GCC stock exchanges, Atlas Exchange Traded

Fund Programme, which invests in global exchange traded funds, as well as the restructuring of Atlas Diversified Investment Programme into a mutual fund to make it scalable and more efficient. Diraar Alghanim, Chairman and Managing Director of Markaz. (pictured) said that Markaz results were positive despite unrealised losses of KD 8.128 million — “a reflection of the correction being witnessed in the local and GCC markets.”



Markaz also acted as financial advisor and co-underwriter of the Kuwait Commercial Market Complex Company (KCMCC) *sukuk*. During the year, Markaz also closed Markaz Energy fund for which it raised over KD 45 million.

NBAD profits reach AED 1.6 billion

The Board of Directors of National Bank of Abu Dhabi discussed the third quarter results, still under review by the external auditors, and reported preliminary net profits of AED 505 million making cumulative profits for the three quarters of AED1.64 billion, representing an annualised EPS and return on equity of AED 1.78 and 27.6% respectively.

Total assets reached AED85 billion at the end of September 2006, up 10% over the same period for 2005, with customer deposits and loans up 8% and 16% respectively. Capital resources reached AED 10.9 billion, up 61% from the corresponding period in 2005, taking into account the proceeds of the bank's AED2.5 billion subordinated Tier Two capital issue.



Commenting on the results, Chief Executive Michael Tomalin (pictured) said: “Although top level profits are down 19% in the first three quarters of 2006 as compared to the same period of 2005, our underlying performance continues to be strong. The bank's capital adequacy ratio stood at 18.3% at the end of 2005, well above the UAE Central Bank requirement of 10%.

NBD Net profit hits 755.7m AED

Continued buoyant economic conditions both in the UAE and the region supported strong growth in National Bank of Dubai core businesses. Net profit for the nine months to September 2006 was AED 755.7 million compared to AED 863.9 million for the same period in 2005. The 2005 profit included one-off extraordinary revenue from investments sales (AED 79 million) and write back of provision on investments (AED 23 million). Loans and Advances now represent 61% of the asset base, having grown by 38.6 % to AED 38.7 billion in



NBD's Abdullah Saleh

September 2006 from AED 27.9 billion as at 31 December 2005. The increase in expenses reflects necessary investment in technology, manpower and distribution channels, in support of on-going and new business initiatives.

NBK reports record profit of \$657m

National Bank of Kuwait reported a record net profit of \$657 million (KD 190 million) for the first nine months of 2006 compared with \$538 million for the same period last year, a 22% increase. Return on assets and return

on equity also rose to 3.85% and 38.7% respectively. According to Ibrahim S Dabdoub (pictured), “Rising interest rates, locally and internationally, combined with strong underlying expansion in all of our business lines, generated robust growth in operating income. We expect the economic boom in the region to continue over the medium term and support our ability to deliver outstanding results to shareholders.” NBK's total assets reached \$24.2 billion at the end of September 2006, while its shareholders' equity stood at \$2.8 billion.



QIB reports net profit up 97%

Qatar Islamic Bank net profit for nine months ended 30 September 2006 showing an escalating growth in net income up to QR 728.3 million (2005: QR 370.9 million), an increase of QR 375.5 million



representing 97% growth. CEO **Salah Al Jaidah** (pictured) said the net operating income reached QR 1,147.8 million against QR 599.5 million in the corresponding period in 2005. The depositors

share of profit reached QR 174.5 million, an increase of 99%. Total assets reached QR 12.8 billion against QR 9.6 billion at the end of 2005 with an increase of QR 3.2 billion, representing 34% growth.

QNB Performance sets new record

Qatar National Bank net profit increased 37% to QR 1,606 million during the nine months ended September 2006. Customer deposits increased by 63.7% while total assets increased by 47.5% to QR 69.6 billion. Total shareholders' equity amounted to QR 8.4 billion, with total market capitalisation of the bank's share reaching QR 34 billion.

Ali Shareef Al Emadi, QNB's Acting Chief Executive (pictured) attributed the outstanding financial numbers to the bank's investment diversification policy, a strategy that allowed the bank to play a vital role in various sectors of the economy. "We have introduced a plethora of innovative products and services to the market throughout the year," Al Emadi said.



Riyad Bank 20% growth in profits

Riyad Bank reported a net income of SR 2,205 million for the nine months ended 30 September 2006; compared to SR 1,831 million for the same period in 2005, an increase of 20.4%. The total operating income reached SR 3,612 million,

recording a 18.9% growth. The bank's total assets increased to SR 91,365 million, 16.8% higher over the same period last year.

Riyad Bank Chairman Rashed Abdulaziz Al-Rashed (pictured) said the results are consistent with the bank's strategy of growing core banking activities in lending and customer deposits. The bank continued to grow its returns to the shareholders, with the return on equity ratio at 26% for the period compared to 23.5% for the same period in 2005.



SAMBA posts record income at SR4.3bn

Samba Financial Group's nine-month results showed an escalating growth in net income of SR 4.27 billion (2005: SAR 3 billion), an increase of 42.3% over the same period in 2005. Samba's third-quarter income of SR 1.44 billion



(2005: SR1.19 billion) is the highest ever realised net income since the bank's incorporation and higher than 2006 first and second quarters.

Eisa Al-Eisa, the Managing Director & CEO said, "Samba's growth objectives are on the back of prudent risk taking, effective risk management processes, and strong capitalisation, keeping in mind long term strategic vision and objectives." Annualised ROA has gone up to 5.1% from 3.9%, ROE at 41.6% compared to 36.3%, Core Revenue to Expense ratio improved to 4.5 compared to 4.0 and Earnings Per Share grew to SR 9.49 compared to SR 6.67."

UGB Profits up 40% to US\$ 71.1 million

United Gulf Bank BSC announced net record profit of US\$ 71.1 million, or US 9 cents per share compared to US\$ 50.7 million in the nine months of 2005, an increase of 40%. The bank's third quarter profits amounted to \$ 25.7 million, a 41% increase over the \$18.2 million net profit earned during the same period in 2005. Commenting on the performance,

UGB Chief Executive William Khouri said, "We are gratified by these results which compare most favourably to our peer group's performance. We are very confident of achieving yet another year of exceptional performance as our strongest quarter is yet to come. The diversity and quality of UGB's assets continue to ensure stability of growth in recurring profits."



UGB has recently completed a 10-year \$100 million LT2 issue. During the road show, the bank's credit and business model was well received by international investors paving the way for future debt issues. Proceeds of the subordinated issue will be used to balance and stretch funding sources as well as to invest in expanding UGB's banking network.

Unicorn reports record results

Unicorn Investment Bank achieved record results for the nine months ended September 2006 of \$64.1 million revenues and \$34.9m net profit. Earnings rose 249%, from \$18.4 million in the first nine months of 2005 to \$64.1 million in the first nine months of 2006. Net profit increased to \$34.9 million, representing UIB's best performance by far since its inception in May 2004.

Total assets have doubled, rising from \$149.4 million at 31 December 2005 to US\$299.2 million at 30 September 2006. Shareholders' equity has more than doubled following the bank's successful round of capital raising in July 2006.

Majid Al-Sayed Bader Al-Refai, UIB's Managing Director & Chief Executive

Officer (pictured) said the bank had achieved a major uplift in both earnings and profitability and strengthened income streams, liquidity and capital base. set-backed security: a debt product designed for home financing companies in Saudi Arabia (akin to a mortgage-backed security).

