

Extract of the
Interim Condensed Consolidated
FINANCIAL STATEMENTS

30 June 2005

البنك الأهلي المتحد



ahli united bank

**REVIEW REPORT TO THE
BOARD OF DIRECTORS OF
AHLI UNITED BANK B.S.C.**

We have reviewed the accompanying consolidated balance sheet of Ahli United Bank B.S.C. (Bank) and its subsidiaries (together known as "the Group") as of 30 June 2005, and the related consolidated statements of income, cash flows and changes in equity for the six month period then ended. These interim condensed consolidated financial statements are the responsibility of the Bank's Board of Directors. Our responsibility is to issue a report on these interim condensed consolidated financial statements based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2400. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim condensed consolidated financial statements are free of material misstatement. A review is limited primarily to inquiries of Bank personnel and analytical procedures applied to financial data, and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

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 presented fairly, in all material respects, in accordance with International Accounting Standard 34.

Ernst & Young

21 July 2005
Manama, Kingdom of Bahrain

Consolidated Income Statement

30 June 2005 (Unaudited)

	Six months ended	
	30 June 2005 US\$ '000	30 June 2004 US\$ '000
OPERATING INCOME		
Interest income	180,250	116,222
Interest expense	121,140	54,053
Net interest income	59,110	62,169
Fees and commission	21,450	21,765
Trading income	4,217	6,172
Gains on sale of non-trading investments	6,869	6,240
Share of profit from associates	35,253	15,376
Other operating income	1,388	3,209
	69,177	52,762
NET INTEREST AND OTHER INCOME	128,287	114,931
(Recoveries of)/provision for loan losses	(1,351)	15,167
Provision for impairment of non-trading investments and other assets	6,000	2,700
	4,649	17,867
OPERATING INCOME AFTER PROVISIONS	123,638	97,064
OPERATING EXPENSES		
Staff expenses	24,701	23,917
Depreciation	2,924	4,278
Other operating expenses	14,073	13,337
	41,698	41,532
PROFIT BEFORE TAXATION	81,940	55,532
Income tax (expense) credit	(3,304)	7,315
NET PROFIT FOR THE PERIOD	78,636	62,847
Basic earnings per ordinary share (US cents)	3.02	2.42
Diluted earnings per ordinary share (US cents)	2.54	2.42

Consolidated Balance Sheet

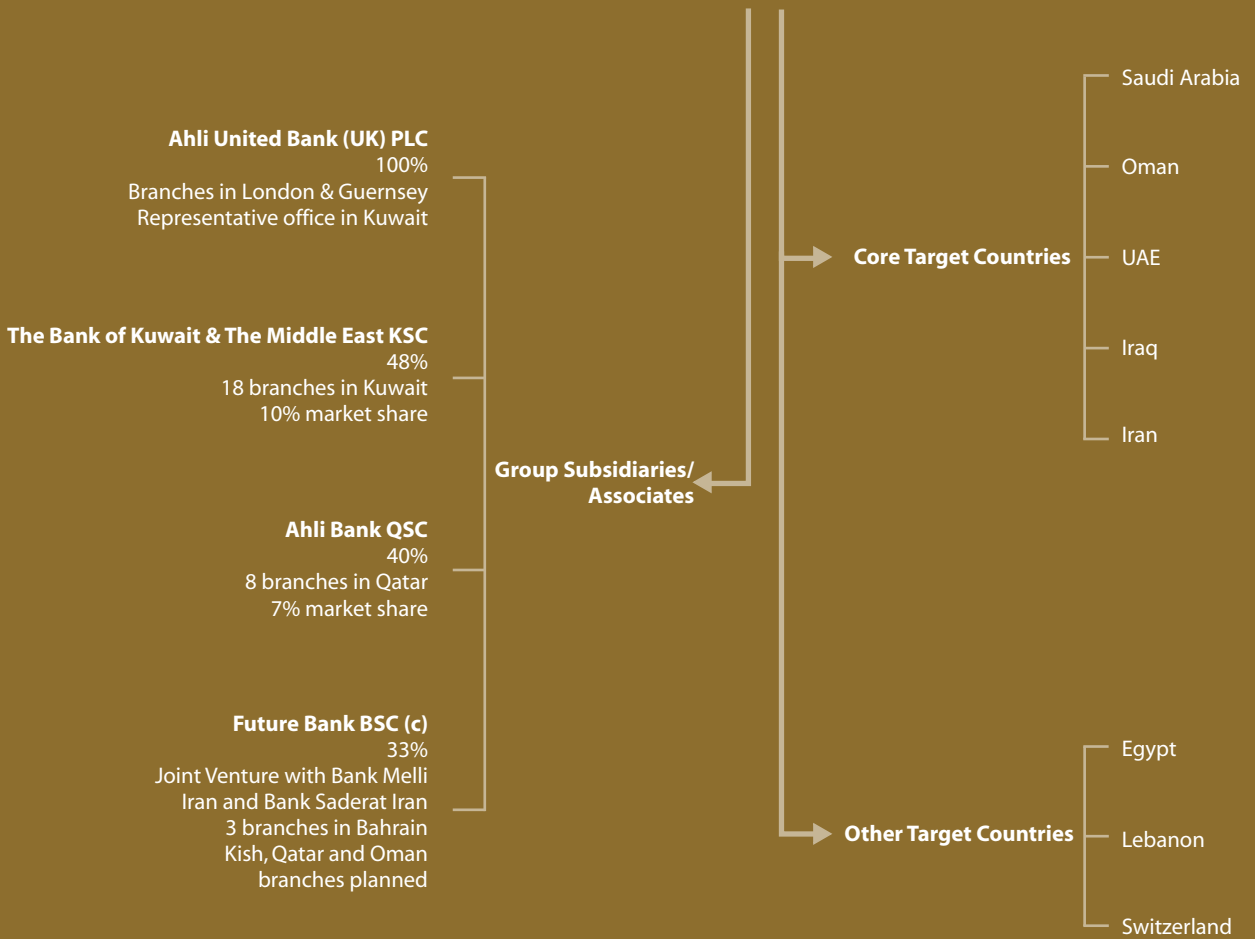
30 June 2005 (Unaudited)

	Audited
	31 December 2004
	30 June 2005
	US\$ '000
	US\$ '000
ASSETS	
Cash and balances with central banks	60,653
Deposits with banks and other financial institutions	2,173,056
Loans and advances	2,901,842
Non-trading investments	1,922,587
Investment in associates	820,170
Premises and equipment	58,150
Other assets and intangibles	188,414
	8,124,872
	8,825,797
LIABILITIES, SUBORDINATED LIABILITIES AND EQUITY	
LIABILITIES	
Deposits from banks and other financial institutions	1,829,793
Customers' deposits	4,009,084
Certificates of deposits	116,724
Term debt	811,718
Other liabilities	221,941
	6,989,260
	7,258,315
SUBORDINATED LIABILITIES	134,709
EQUITY	
Ordinary share capital	650,000
Preference share capital	-
Reserves	350,903
	1,000,903
	1,226,055
	8,124,872
	8,825,797

Group expansion strategy

AHLI UNITED BANK BSC ("AUB")

- Incorporated 2000 as Operating Holding Co.
- Merger between UBK est. 1966 & ACB est. 1977 & CBB est.1983
- BMA regulated
- Head Office & 17 branches in Bahrain



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