

Extract of the
Interim Condensed Consolidated
FINANCIAL STATEMENTS

30 September 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 September 2005, and the related consolidated statements of income, cash flows and changes in equity for the nine 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.

The logo for Ernst & Young, featuring the company name in a white, cursive script font.

19 October 2005
Manama, Kingdom of Bahrain

Consolidated Income Statement

30 September 2005 (Unaudited)

	Nine months ended	
	30 September 2005 US\$ '000	30 September 2004 US\$ '000
OPERATING INCOME		
Interest income	307,117	178,420
Interest expense	198,019	87,074
Net interest income	109,098	91,346
Fees and commission	43,211	29,569
Trading income	11,559	9,262
Gains on sale of non-trading investments	18,834	9,797
Share of profit from associates	51,987	26,494
Other operating income	2,756	5,170
	128,347	80,292
NET INTEREST AND OTHER INCOME		
	237,445	171,638
Provision for loan losses	10,161	26,107
Provision for impairment of non-trading investments and other assets	5,862	2,695
	16,023	28,802
OPERATING INCOME AFTER PROVISIONS		
	221,422	142,836
OPERATING EXPENSES		
Staff expenses	44,600	35,610
Depreciation	5,068	6,006
Other operating expenses	25,563	20,869
	75,231	62,485
PROFIT BEFORE TAXATION		
	146,191	80,351
Income tax (expense) credit	(4,389)	4,681
NET PROFIT FOR THE PERIOD		
	141,802	85,032
<i>Attributable to:</i>		
Bank's equity shareholders	130,442	85,032
Minority Interest	11,360	-
	141,802	85,032
Basic earnings per ordinary share (US cents)	4.72	3.27
Diluted earnings per ordinary share (US cents)	4.21	3.27

Consolidated Balance Sheet

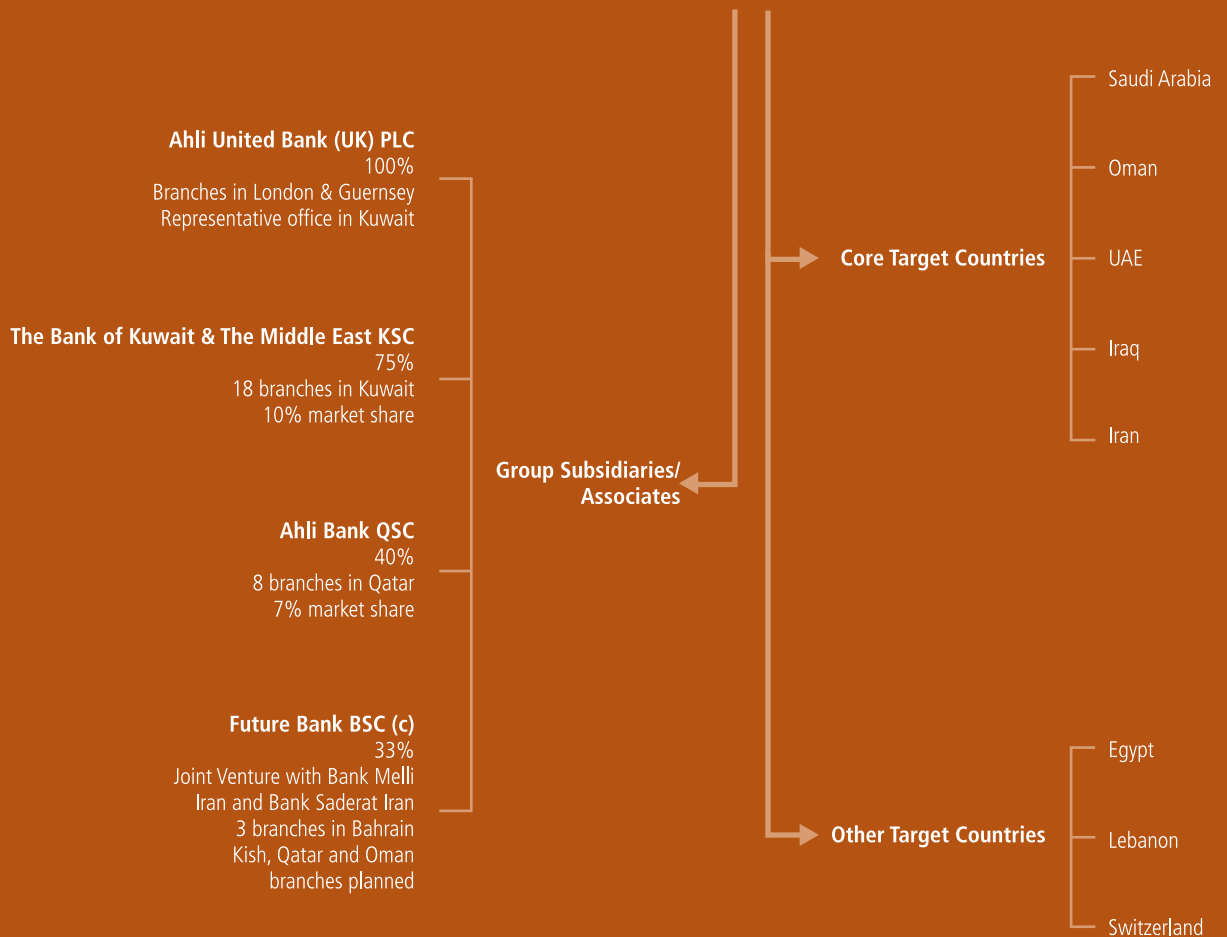
30 September 2005 (Unaudited)

	30 September 2005 US\$ '000	Audited 31 December 2004 US\$ '000
ASSETS		
Cash and balances with central banks	142,590	60,653
Trading securities	49,397	-
Treasury bills and bonds	926,505	-
Deposits with banks and other financial institutions	2,679,761	2,173,056
Loans and advances	6,143,831	2,901,842
Non-trading investments	2,411,264	1,922,587
Kuwait Government Debt Bonds	374,661	-
Investment in associates	299,079	820,170
Premises and equipment	116,950	58,150
Interest receivable	142,337	68,366
Other assets	179,101	92,016
Goodwill	451,540	28,032
	13,917,015	8,124,872
LIABILITIES, SUBORDINATED LIABILITIES AND EQUITY		
LIABILITIES		
Deposits from banks and other financial institutions	3,556,797	1,829,793
Customers' deposits	7,112,525	4,009,084
Certificates of deposits	26,564	116,724
Term debt	974,179	811,718
Interest payable	125,966	67,518
Other liabilities	263,101	154,423
	12,059,132	6,989,260
SUBORDINATED LIABILITIES	340,592	134,709
EQUITY		
Ordinary share capital	650,000	650,000
Preference share capital	125,000	-
Reserves	530,482	350,903
Attributable to the Bank's equity shareholders	1,305,482	1,000,903
Minority interest	211,809	-
	1,517,291	1,000,903
	13,917,015	8,124,872

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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