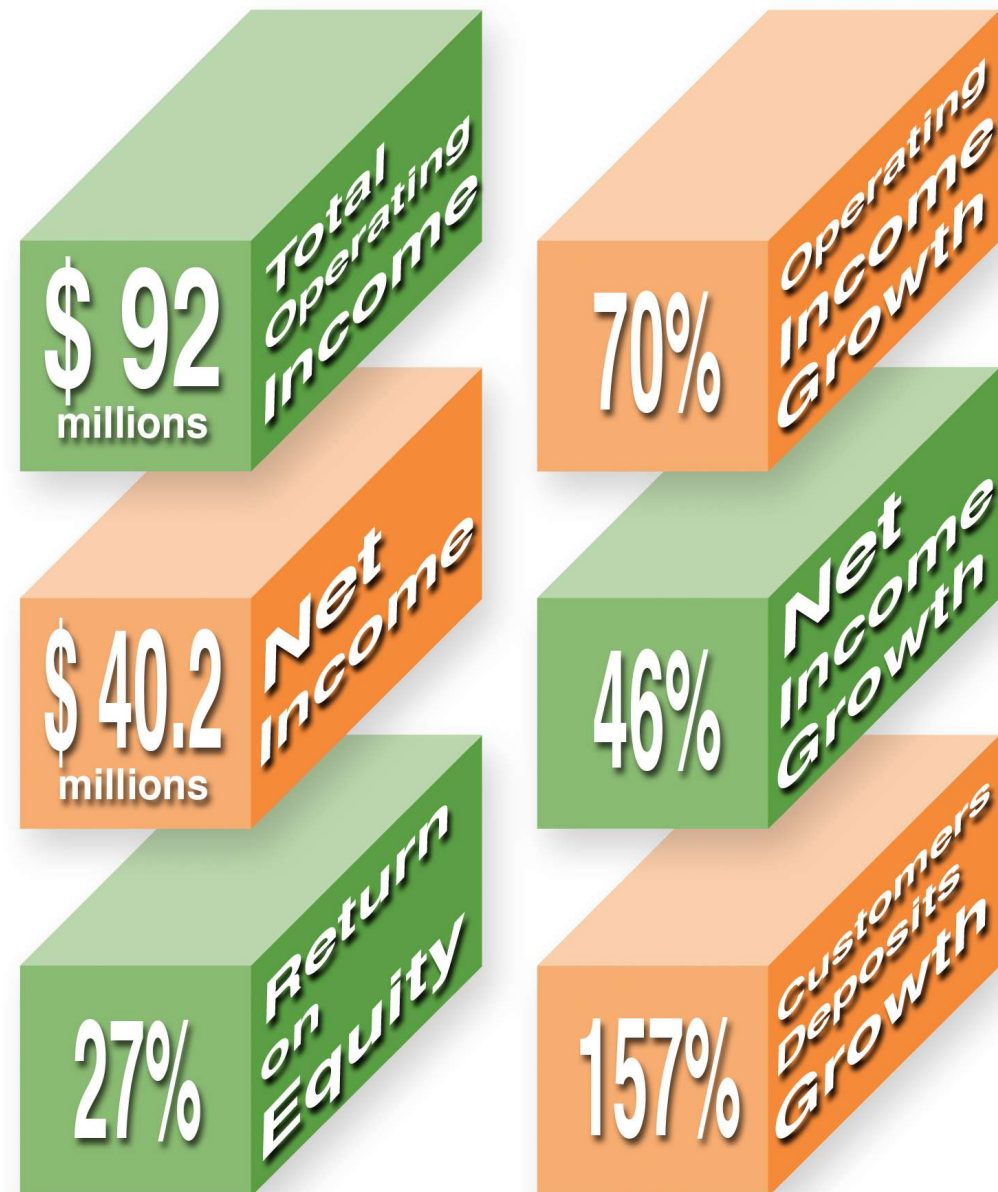


Financial Results

31st December 2005



Kuwait Finance House-Bahrain B.S.C (c)



Consolidated Balance Sheet

	31 December 2005 BD 000s	31 December 2004 BD 000s
ASSETS		
Cash and balances with Bahrain Monetary Agency and banks	6,864	5,246
Murabaha and Mudaraba contracts with banks	59,823	19,230
Murabaha, Istisna'a and Ijarah Muntahia Bittamleek contracts relating to customers	110,153	74,444
Investments held for trading	11,694	8,669
Investment available for sale	15,597	3,034
Investment held for sale	2,667	14,544
Investment in associates	14,873	13,092
Investment properties	14,737	24,481
Receivables and prepayments	8,574	7,724
Goodwill and intangibles	2,843	1,310
Premises and equipment	11,040	4,381
TOTAL ASSETS	258,865	176,155
LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY		
Liabilities		
Murabaha contracts with banks	56,344	66,594
Murabaha contracts with non-banks	68,179	19,506
Customers' current accounts	31,182	16,786
Other liabilities	5,774	8,803
	161,479	111,689
Unrestricted investment accounts	30,807	15,321
Equity		
Share capital	38,500	35,000
Statutory reserve	2,985	1,468
Investment property revaluation reserve	3,992	6,327
Retained earnings	18,325	5,961
	63,802	48,756
Minority interests	2,777	389
	66,579	49,145
TOTAL LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY	258,865	176,155
CREDIT COMMITMENTS AND CONTINGENT ITEMS	35,731	16,985

Consolidated Statement of Income

	31 December 2005 BD 000s	31 December 2004 BD 000s
Income from investment banking activities	22,815	14,865
Income from commercial banking activities	9,505	4,770
Share of income of associates	778	-
Other income	1,547	657
	34,645	20,292
Less: Profit paid on Murabaha contracts	3,305	1,175
	31,340	19,117
Staff costs	5,651	3,481
Other operating expenses	3,883	2,586
Depreciation	1,820	1,381
Provisions	3,216	1,040
	14,570	8,488
NET INCOME BEFORE PROFIT PAID TO UNRESTRICTED INVESTMENT ACCOUNTS	16,770	10,629
Profit paid on unrestricted investment accounts	(1,652)	(258)
NET INCOME FOR THE YEAR BEFORE MINORITY INTERESTS	15,118	10,371
Minority interests	48	21
NET INCOME FOR THE YEAR	15,166	10,392