

Interim condensed consolidated financial statements

Consolidated interim statement of income for the nine months period ended 30 September 2005

(Expressed in thousands of United States Dollars)

	Nine months ended		Three months ended	
	30 September 2005 (Unaudited)	30 September 2004 (Unaudited) (Restated)	30 September 2005 (Unaudited)	30 September 2004 (Unaudited) (Restated)
Interest and similar income	9,338	7,108	2,333	1,762
Interest expense	(3,302)	(7,552)	386	(5,630)
	6,036	(444)	2,719	(3,868)
Income / (loss) from FVTPL financial instruments	1,507	(2,528)	1,487	(2,903)
Fair value (loss) / gain on investment properties	(11,999)	15,893	(11,999)	-
Income / (loss) from sale of other investments	29,523	(8,680)	20,591	1,383
Foreign exchange income / (loss)	313	(393)	163	40
Fees and commission	10,041	6,849	5,295	1,099
Other operating income	805	993	197	253
Total operating income / (loss)	36,226	11,690	18,453	(3,996)
Staff costs	(10,571)	(6,064)	(6,343)	(1,936)
Other operating costs	(5,125)	(4,365)	(2,464)	(1,477)
Provision - impairment of loans, investments and other assets	(4,147)	(1,022)	(2,662)	(24)
Income / (loss) before taxation	16,383	239	6,984	(7,433)
Overseas taxation	(32)	-	(10)	-
Income / (loss) for the period	16,351	239	6,974	(7,433)
Attributable to:				
Equity holders of the Bank	16,301	258	6,947	(7,411)
Minority interest	50	(19)	27	(22)
	16,351	239	6,974	(7,433)
Earnings / (loss) per share for net income attributable to the equity holders of the Bank during the period - Basic	\$0.176	\$0.003	\$0.076	(\$0.077)

These interim condensed consolidated financial statements have been approved for issue by the Board of Directors and signed on its behalf on 20 October 2005 by:



Abdulaziz R. Al Rashed
Chairman



Iqbal G. Mamdani
Vice Chairman and Chief Executive Officer

The above position and results extracted from financial statements for the nine months ended September 30, 2005, which were reviewed by PricewaterhouseCoopers-Bahrain.

Interim condensed consolidated financial statements

Consolidated interim balance sheet as at 30 September 2005

(Expressed in thousands of United States Dollars)

	30 September 2005 (Unaudited)	31 December 2004 (Audited) (Restated)
ASSETS		
Cash and balances with central banks	46,412	23,455
Placements with banks	102,557	94,232
Loans and advances	17,578	22,833
Investments	196,495	210,024
Property and equipment	14,659	13,234
Other assets	12,681	24,012
Total assets	390,382	387,790
SHAREHOLDERS' EQUITY		
Share capital	101,916	101,916
Less: treasury shares	(9,367)	(9,107)
Reserves	47,420	50,769
Minority interest	66	16
Total shareholders' equity	140,035	143,594
LIABILITIES		
Deposits from banks	57,113	46,181
Deposits from customers	154,547	150,471
Securities sold under agreements to repurchase	3,911	5,609
Other liabilities	32,400	37,592
Long term debt	2,376	4,343
Total liabilities	250,347	244,196
Total equity and liabilities	390,382	387,790

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Abdulaziz R. Al Rashed
Chairman



Iqbal G. Mamdani
Vice Chairman and Chief Executive Officer