

**KUWAIT FINANCE HOUSE K.S.C. AND
SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)**

30 SEPTEMBER 2006

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**REVIEW REPORT TO THE DIRECTORS OF
KUWAIT FINANCE HOUSE K.S.C.**

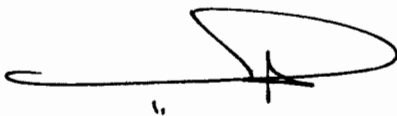
We have reviewed the accompanying consolidated balance sheet of Kuwait Finance House K.S.C. (the bank) and Subsidiaries (the group) at 30 September 2006, and the related consolidated income statement for the three month and nine month periods then ended, and the related consolidated statements of changes in equity and cash flows for the nine month period then ended. These interim condensed consolidated financial statements are the responsibility of the bank's management. 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.

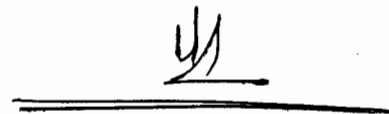
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not presented fairly, in all material respects, in accordance with the basis of presentation set out in Note 2.

Furthermore, based on our review, the interim condensed consolidated financial statements are in agreement with the books of the bank. We further report that, to the best of our knowledge and belief, no violations of the Commercial Companies Law of 1960, as amended, nor of the articles of association of the bank have occurred that might have had a material effect on the business of the bank or on its financial position.

We further report that, during the course of our review, we have not become aware of any material violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business, and its related regulations.



WALEED A. AL OSAIMI
LICENCE NO. 68 A
ERNST & YOUNG
AL AIBAN, AL OSAIMI & PARTNERS



JASSIM AHMAD AL-FAHAD
LICENCE NO. 53 A
DELOITTE
AL-FAHAD & CO.

Kuwait Finance House K.S.C. and Subsidiaries

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

Period ended 30 September 2006

		<i>3 months ended 30 September 2006 KD 000's</i>	<i>3 months ended 30 September 2005 KD 000's</i>	<i>9 months ended 30 September 2006 KD 000's</i>	<i>9 months ended 30 September 2005 KD 000's</i>
OPERATING INCOME					
Murabaha, Istisna'a and leasing income		72,118	43,301	216,410	124,485
Investment income	3	59,045	22,290	143,035	91,238
Fee and commission income		12,284	4,416	32,122	20,190
Net gain from dealing in foreign currencies		4,406	474	4,578	1,928
Other operating income		3,606	1,925	10,471	5,904
		<u>151,459</u>	<u>72,406</u>	<u>406,616</u>	<u>243,745</u>
OPERATING EXPENSES					
Staff costs		20,927	8,790	47,378	27,581
General and administrative expenses		10,758	3,032	28,674	11,580
Depreciation		7,485	3,171	28,023	10,477
Provision for impairment		7,194	1,850	13,468	12,326
		<u>46,364</u>	<u>16,843</u>	<u>117,543</u>	<u>61,964</u>
OPERATING PROFIT BEFORE ESTIMATED DISTRIBUTION TO DEPOSITORS					
Estimated distribution to depositors	4	105,095 (45,122)	55,563 (23,169)	289,073 (136,271)	181,781 (84,234)
PROFIT FOR THE PERIOD					
Provision for contribution to Kuwait Foundation for the Advancement of Sciences		(506)	(320)	(1,282)	(953)
Provision for National Labour Support tax		(1,041)	(474)	(2,878)	(1,421)
		<u>58,426</u>	<u>31,600</u>	<u>148,642</u>	<u>95,173</u>
NET PROFIT FOR THE PERIOD					
Attributable to:					
Equity holders of the bank	4	49,068	31,222	124,067	92,920
Minority interest		9,358	378	24,575	2,253
		<u>58,426</u>	<u>31,600</u>	<u>148,642</u>	<u>95,173</u>
BASIC EARNINGS PER SHARE					
	5	<u>40 fils</u>	<u>26 fils</u>	<u>101 fils</u>	<u>87 fils</u>

The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.

Kuwait Finance House K.S.C. and Subsidiaries

CONSOLIDATED BALANCE SHEET (UNAUDITED)

At 30 September 2006

		(Audited)	
	30 September 2006	31 December 2005	30 September 2005
	KD 000's	KD 000's	KD 000's
ASSETS			
Cash and balances with banks and financial institutions	136,428	158,293	116,253
Short-term international murabaha	845,218	663,848	653,340
Receivables	2,603,341	2,104,346	1,754,005
Leased assets	597,287	603,333	563,515
Investments	584,845	555,279	563,058
Investment in associates	189,533	142,734	79,081
Trading properties	83,113	93,009	80,019
Investment properties	189,170	184,479	143,622
Other assets	134,893	68,102	51,220
Property and equipment	340,234	107,695	75,147
TOTAL ASSETS	5,704,062	4,681,118	4,079,260
LIABILITIES, DEFERRED REVENUE, FAIR VALUE RESERVE, FOREIGN EXCHANGE TRANSLATION RESERVE AND TOTAL EQUITY			
LIABILITIES			
Due to banks and financial institutions	777,533	281,617	128,467
Depositors' accounts	3,522,433	3,189,344	2,893,327
Other liabilities	270,441	220,795	197,912
TOTAL LIABILITIES	4,570,407	3,691,756	3,219,706
DEFERRED REVENUE	284,633	235,239	216,220
FAIR VALUE RESERVE	57,272	62,092	48,068
FOREIGN EXCHANGE TRANSLATION RESERVE	5,569	11,401	(1,662)
EQUITY ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE BANK			
Share capital	122,525	109,397	109,397
Share premium	188,620	188,465	188,465
Proposed issue of bonus shares	-	13,128	-
Reserves	228,440	229,052	183,828
Net profit for the period attributable to equity holders of the bank	124,067	-	92,920
Proposed cash dividend	-	60,168	-
TOTAL EQUITY ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE BANK	663,652	600,210	574,610
Minority interest	122,529	80,420	22,318
TOTAL EQUITY	786,181	680,630	596,928
TOTAL LIABILITIES, DEFERRED REVENUE, FAIR VALUE RESERVE, FOREIGN EXCHANGE TRANSLATION RESERVE AND TOTAL EQUITY	5,704,062	4,681,118	4,079,260

BADER ABDULMOHSEN AL-MURHAIZEEM
(CHAIRMAN AND MANAGING DIRECTOR)

MOHAMED SULAIMAN AL-OMAR
(DEPUTY GENERAL MANAGER)

The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.

Kuwait Finance House K.S.C. and Subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

Period ended 30 September 2006

	Attributable to equity holders of the bank										Minority interest KD 000's	Total equity KD 000's		
	Share capital KD 000's	Share premium KD 000's	Proposed issue of bonus shares KD 000's	Reserves					Proposed cash dividends KD 000's	Sub total KD 000's				
				Statutory reserve KD 000's	Voluntary reserve KD 000's	Employee share options reserve KD 000's	Treasury shares KD 000's	Sub total KD 000's					Net profit KD 000's	Sub total KD 000's
At 1 January 2005	78,141	12,619	7,814	157,119	32,192	-	(1,017)	188,294	-	286,868	39,070	325,938	21,633	347,571
Movements during the period														
Issue of bonus shares	7,814	-	(7,814)	-	-	-	-	-	-	-	-	-	-	-
Issue of shares for cash	23,442	175,816	-	-	-	-	-	-	-	199,258	-	199,258	-	199,258
Cash received on cancellation of share options	-	30	-	-	-	-	-	-	-	30	-	30	-	30
Zakat	-	-	-	-	(4,371)	-	-	(4,371)	-	(4,371)	-	(4,371)	-	(4,371)
Cash dividends paid	-	-	-	-	-	-	-	-	-	-	(39,070)	(39,070)	-	(39,070)
Net movement in treasury shares	-	-	-	-	-	-	(95)	(95)	-	(95)	-	(95)	-	(95)
Net change in minority interest	-	-	-	-	-	-	-	-	-	-	-	-	(1,568)	(1,568)
Net profit for the period	-	-	-	-	-	-	-	-	92,920	92,920	-	92,920	2,253	95,173
At 30 September 2005	109,397	188,465	-	157,119	27,821	-	(1,112)	183,828	92,920	574,610	-	574,610	22,318	596,928
At 1 January 2006	109,397	188,465	13,128	169,386	60,944	-	(1,278)	229,052	-	540,042	60,168	600,210	80,420	680,630
Movements during the period														
Issue of bonus shares (Note 8)	13,128	-	(13,128)	-	-	-	-	-	-	-	-	-	-	-
Cash received on cancellation of share options	-	155	-	-	-	-	-	-	-	155	-	155	-	155
Cost of employee share options granted	-	-	-	-	-	4,122	-	4,122	-	4,122	-	4,122	-	4,122
Zakat	-	-	-	-	(5,091)	-	-	(5,091)	-	(5,091)	-	(5,091)	-	(5,091)
Cash dividends paid	-	-	-	-	-	-	357	357	-	357	(60,168)	(60,168)	-	(60,168)
Net movement in treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net change in minority interest	-	-	-	-	-	-	-	-	124,067	124,067	-	124,067	17,534	17,534
Net profit for the period	-	-	-	-	-	-	-	-	124,067	124,067	-	124,067	24,575	148,642
At 30 September 2006	122,525	188,620	-	169,386	55,853	4,122	(921)	228,440	124,067	663,652	-	663,652	122,529	786,181

The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.

Kuwait Finance House K.S.C. and Subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

Period ended 30 September 2006

	<i>Note</i>	<i>9 months ended 30 September 2006 KD 000's</i>	<i>9 months ended 30 September 2005 KD 000's</i>
OPERATING ACTIVITIES			
Net profit for the period		148,642	95,173
Adjustment for:			
Depreciation		28,023	10,477
Provision for impairment		13,468	12,326
Share of the accumulated retained earnings of the newly consolidated subsidiary as of 1 January 2006		(5,090)	-
Share of results of associates		(41,606)	-
		<hr/>	<hr/>
Changes in operating assets and liabilities		143,437	117,976
<i>(Increase) decrease in operating assets:</i>			
Exchange of deposits		4,727	(64,389)
Receivables		(914,810)	(555,370)
Leased assets		4,861	(66,796)
Trading properties		9,896	47,815
Other assets		(66,826)	17,234
<i>Increase (decrease) in operating liabilities:</i>			
Due to banks and financial institutions		495,916	6,646
Depositors' accounts		333,089	330,142
Other liabilities		65,981	(10,055)
Deferred revenue		49,394	27,218
		<hr/>	<hr/>
Net cash from (used in) operating activities		125,665	(149,579)
INVESTING ACTIVITIES			
Net purchase of investments		(31,006)	(22,544)
Purchase of investment properties		(5,767)	(39,176)
Purchase of property and equipment		(259,486)	(11,951)
Purchase of investment in associates		(5,193)	(39,793)
		<hr/>	<hr/>
Net cash used in investing activities		(301,452)	(113,464)
FINANCING ACTIVITIES			
Issue of shares		-	199,258
Cash dividends paid		(60,168)	(39,070)
Cash received on cancellation of share options		155	30
Payment of zakat		(5,091)	(4,371)
Net movement in treasury shares		357	(95)
		<hr/>	<hr/>
Net cash (used in) from financing activities		(64,747)	155,752
DECREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at 1 January		701,582	339,315
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER			
	9	<u>461,048</u>	<u>232,024</u>

The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.

Kuwait Finance House K.S.C. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

At 30 September 2006

1 ACTIVITIES

The interim condensed consolidated financial statements of the group for the period ended 30 September 2006 were authorised for issue in accordance with a resolution of the bank's board of directors on 7 October 2006.

The group comprises Kuwait Finance House K.S.C. (the bank) and its consolidated subsidiaries. The bank is a public shareholding company incorporated in Kuwait on 23 March 1977 and is registered as an Islamic bank with the Central Bank of Kuwait on 24 May 2004. It is engaged principally in providing banking services; the purchase and sale of properties, leasing, project construction for its own account as well as for third parties and other trading activities without practising usury. Trading activities are conducted on the basis of purchasing various goods and selling them on Murabaha at negotiated profit margins which can be settled in cash or on instalment credit basis. The bank's registered head office is at Abdulla Al-Mubarak Street, Murqab, Kuwait.

All activities are conducted in accordance with Islamic Shareea'a, as approved by the bank's Fatwa and Shareea'a Supervisory Board.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The interim condensed consolidated financial statements of the group have been prepared in accordance with IAS 34, Interim Financial Reporting except as noted below.

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2005 with the exception of the newly adopted policy in respect of share based payment as described below.

The annual consolidated financial statements for the year ended 31 December 2005 were prepared in accordance with the regulations of the State of Kuwait for financial services institutions regulated by the Central Bank of Kuwait. These regulations require adoption of all International Financial Reporting Standards (IFRS) except for the IAS 39 requirement for collective impairment provision, which has been replaced by the Central Bank of Kuwait's requirement for a minimum general provision as described below.

The impairment provision for finance facilities complies in all material respects with the specific provision requirements of the Central Bank of Kuwait and IFRS. In addition, in accordance with Central Bank of Kuwait instructions, a minimum general provision of 2% on all finance facilities net of certain categories of collateral, to which CBK instructions are applicable and not subject to specific provision, is made.

Operating results for the period are not necessarily indicative of the results that may be expected for the year ending 31 December 2006.

During the period, the bank consolidated a previously unconsolidated subsidiary. Previously, the unconsolidated subsidiary was carried at cost. On consolidation, the group's share of the accumulated retained earnings of the subsidiary amounting to KD 5,090 thousand along with results of the period amounting to KD 4,676 thousand have been included in the consolidated income statement for the period ended 30 September 2006.

IFRS 2 "Share-Based Payment"

IFRS 2 "Share-Based Payment" requires an expense to be recognised where the group buys goods or services in exchange for shares or rights over shares ("equity-settled transactions"), or in exchange for other assets equivalent in value to a given number of shares or rights over shares ("cash-settled transactions").

Share-based payment transactions

Entitled employees (including directors) of the group receive remuneration in the form of share-based payment transactions, whereby entitled employees render services in exchange for shares or rights over shares ("equity-settled transactions").

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

At 30 September 2006

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 2 "Share-Based Payment" (continued)

Equity-settled transactions

The cost of equity-settled transactions with employees is measured under the intrinsic value method. Under this method, the cost is determined by comparing the bank's shares at each reporting date and the date of final settlement to the exercise price with any change in intrinsic value recognised in the consolidated income statement.

The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees exercise their rights. The cumulative expense recognised for equity-settled transactions at each reporting date until the exercise date reflects the extent to which the exercise period has expired and the number of awards that, in the opinion of the directors at that date, based on the best available estimate of the number of equity instruments that will ultimately vest.

The bank granted 54,964,233 shares of a subsidiary to certain senior management personnel during the three month period ended 30 September 2006 which vested immediately. The bank recognised the difference between the exercise price and fair value of the shares granted amounting to KD 4,122 thousand as staff costs with a corresponding credit within equity attributable to equity holders of the bank under employee share option reserve.

3 INVESTMENT INCOME

During the period ended 30 September 2006, the bank disposed of 21% equity interest in one of its subsidiaries and realised a gain of KD 9,289 thousand.

During the three month period ended 30 September 2006, the bank disposed of an investment and realised a gain of KD 16,813 thousand.

4 ESTIMATED DISTRIBUTION TO DEPOSITORS AND NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK

Management of the bank is of the opinion that the estimated distribution to depositors is presented for information purposes only, and accordingly the estimated distribution to depositors and the net profit for the nine month period attributable to equity holders should not be relied upon to indicate distribution of profit to all parties concerned for the nine month period ended 30 September 2006, or for the year ending 31 December 2006.

The actual profit to be distributed to all parties concerned will be determined by the board of directors of the bank in accordance with the bank's articles of association, based on the annual audited results for the year ending 31 December 2006.

5 BASIC EARNINGS PER SHARE

Basic earnings per share are based on the net profit for the period attributable to equity holders of the bank of KD 124,067 thousand (30 September 2005: KD 92,920 thousand) and the weighted average number of ordinary shares outstanding during the period of 1,224,410 thousand (30 September 2005: 1,067,742 thousand) after adjusting for average treasury shares held by the group.

The basic earnings per share of the comparative periods have been restated for bonus shares issued during 2006.

The distributable earnings per share of the comparative period after adjustment for the impact of the capital increase from 1 January 2005 and bonus shares issued during 2006 was 76 fils per share.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

At 30 September 2006

6 FAIR VALUE RESERVE

Changes in fair value of available for sale investments are reported in the fair value reserve. Management of the bank is of the opinion that this reserve is attributable to both the depositors and equity holders. As a result, the reporting of this reserve as a separate item on the consolidated balance sheet enables a fairer presentation than its inclusion under equity.

The movement in the fair value reserve is analysed as follows:

	<i>30 September 2006 KD 000's</i>	<i>(Audited) 31 December 2005 KD 000's</i>	<i>30 September 2005 KD 000's</i>
Balance at the beginning of the period/year	62,092	31,680	31,680
Change in fair values during the period/year	(3,113)	49,480	32,188
Gain realised during the period/year	(1,707)	(19,068)	(15,800)
Balance at the end of the period/year	<u>57,272</u>	<u>62,092</u>	<u>48,068</u>

7 FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arises on the consolidation of foreign subsidiaries and equity accounting of foreign associates.

Management of the bank is of the opinion that this reserve is attributable to both the depositors and equity holders. As a result, the reporting of this reserve as a separate item on the consolidated balance sheet enables a fairer presentation than its inclusion under equity.

8 SHARE CAPITAL

The ordinary and extraordinary general assembly meeting of the equity holders of the bank held on 6 March 2006 approved an increase in the authorised share capital from KD 109,397 thousand to KD 122,525 thousand by way of an issuance of 12% bonus shares amounting to KD 13,128 thousand. Accordingly, the authorised, issued and fully paid-up share capital at 30 September 2006 comprises 1,225,244 thousand (31 December 2005: 1,093,968 thousand and 30 September 2005: 1,093,968 thousand) shares of 100 fils each.

9 CASH AND CASH EQUIVALENTS

	<i>30 September 2006 KD 000's</i>	<i>(Audited) 31 December 2005 KD 000's</i>	<i>30 September 2005 KD 000's</i>
Cash	35,549	42,328	31,057
Balances with Central Banks	66,975	46,875	16,481
Balances with banks and financial institutions – current accounts	26,904	67,977	8,569
Balances with banks and financial institutions – exchange of deposits	7,000	1,113	60,146
Cash and balances with banks and financial institutions	<u>136,428</u>	<u>158,293</u>	<u>116,253</u>
Short-term international murabaha – maturing within 3 months of contract date	289,444	447,646	180,160
Tawarruq balances with Central Bank of Kuwait	35,176	100,370	-
Exchange of deposits – maturing after 3 months of contract date	-	(4,727)	(64,389)
Cash and cash equivalents	<u>461,048</u>	<u>701,582</u>	<u>232,024</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (UNAUDITED)

At 30 September 2006

10 CONTINGENCIES AND COMMITMENTS

At the balance sheet date there were outstanding contingencies and commitments entered into in the ordinary course of business in respect of the following:

	<i>30 September 2006 KD 000's</i>	<i>(Audited) 31 December 2005 KD 000's</i>	<i>30 September 2005 KD 000's</i>
Acceptances and letters of credit	59,949	43,002	44,773
Guarantees	228,663	197,760	183,316
	<u>288,612</u>	<u>240,762</u>	<u>228,089</u>
Capital commitments	<u>77,282</u>	<u>103,865</u>	<u>226,216</u>

11 RELATED PARTY TRANSACTIONS

Certain related parties (directors and executive employees, officers of the group, their families and companies of which they are principal owners) were depositors and financing facilities customers of the bank, in the ordinary course of business. Such transactions were made on substantially the same terms, including profit rates and collateral, as those prevailing at the same time for comparable transactions with unrelated parties and did not involve more than a normal amount of risk. These transactions are approved by the Ordinary General Assembly of the equity holders of the bank.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

At 30 September 2006

11 RELATED PARTY TRANSACTIONS (continued)

Details of the interests of Board Members and Executive Officers are as follows:

	The number of Board Members or Executive Officers		The number of related parties				Values		
	30 September 2006	(Audited) 31 December 2005	30 September 2005	30 September 2006	(Audited) 31 December 2005	30 September 2005	(Audited) 31 December 2005	30 September 2006	(Audited) 31 December 2005
Board Members									
Finance facilities	11	6	6	10	4	4	4	608	137
Credit cards	9	13	5	16	18	8	8	79	17
Deposits	18	16	7	57	475	48	48	3,365	3,762
Collateral against finance facilities	4	-	1	3	-	-	-	641	-
Executive Officers									
Finance facilities	15	21	13	10	40	6	6	1,170	479
Credit cards	14	30	16	36	43	19	19	51	37
Deposits	27	34	15	88	123	63	63	960	617
Collateral against finance facilities	8	7	7	4	17	-	-	1,371	754

Compensation of key management personnel is as follows:

	30 September 2006		(Audited) 31 December 2005		30 September 2005	
	KD 000's		KD 000's		KD 000's	
Short-term employee benefits	3,072		2,982		1,514	
Termination benefits	4,403		3,883		3,723	
	<u>7,475</u>		<u>6,865</u>		<u>5,237</u>	

Kuwait Finance House K.S.C. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

At 30 September 2006

12 SEGMENTAL ANALYSIS

Primary segment information

For management purposes the group is organised into three major business segments:

<i>30 September 2006</i>	<i>Treasury KD 000's</i>	<i>Investment KD 000's</i>	<i>Retail and corporate banking KD 000's</i>	<i>Other segments KD 000's</i>	<i>Total KD 000's</i>
Operating income	<u>42,346</u>	<u>156,335</u>	<u>194,234</u>	<u>13,701</u>	<u>406,616</u>
Net profit for the period	<u>12,921</u>	<u>72,276</u>	<u>59,265</u>	<u>4,180</u>	<u>148,642</u>
Total assets	<u>959,470</u>	<u>1,442,111</u>	<u>3,230,724</u>	<u>71,757</u>	<u>5,704,062</u>
Total liabilities, deferred revenue, fair value reserve, foreign exchange translation reserve and total equity	<u>637,438</u>	<u>601,096</u>	<u>3,604,967</u>	<u>860,561</u>	<u>5,704,062</u>
<i>30 September 2005</i>	<i>Treasury KD 000's</i>	<i>Investment KD 000's</i>	<i>Retail and corporate banking KD 000's</i>	<i>Other segments KD 000's</i>	<i>Total KD 000's</i>
Operating income	<u>2,262</u>	<u>84,970</u>	<u>154,478</u>	<u>2,035</u>	<u>243,745</u>
Net profit for the period	<u>862</u>	<u>34,646</u>	<u>58,890</u>	<u>775</u>	<u>95,173</u>
Total assets	<u>764,012</u>	<u>1,000,542</u>	<u>2,275,129</u>	<u>39,577</u>	<u>4,079,260</u>
Total liabilities, deferred revenue, fair value reserve, foreign exchange translation reserve and total equity	<u>144,195</u>	<u>242,941</u>	<u>2,971,401</u>	<u>720,723</u>	<u>4,079,260</u>

Kuwait Finance House K.S.C. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

At 30 September 2006

12 SEGMENTAL ANALYSIS (continued)

Secondary segment information

	<i>Local</i>		<i>International</i>		<i>Total</i>	
	<i>30 September 2006 KD 000's</i>	<i>30 September 2005 KD 000's</i>	<i>30 September 2006 KD 000's</i>	<i>30 September 2005 KD 000's</i>	<i>30 September 2006 KD 000's</i>	<i>30 September 2005 KD 000's</i>
Operating income	<u>333,691</u>	<u>172,265</u>	<u>72,925</u>	<u>71,480</u>	<u>406,616</u>	<u>243,745</u>
Net profit for the period	<u>121,984</u>	<u>67,263</u>	<u>26,658</u>	<u>27,910</u>	<u>148,642</u>	<u>95,173</u>

13 FIDUCIARY ASSETS

The aggregate value of assets held in a trust or fiduciary capacity by the bank at 30 September 2006 amounted to KD 370,583 thousand (31 December 2005: KD 274,239 thousand and 30 September 2005: KD 260,335 thousand).