

Auditors' Report

to the Shareholders of
International Investment Bank
B.S.C. (c)

We have audited the accompanying balance sheet of International Investment Bank B.S.C. (c) (the "Bank") as of 31 December 2005, and the related statements of income, cash flows and changes in equity for the year then ended.

These financial statements and the Bank's undertaking to operate in accordance with Islamic Shari'ah rules and principles are the responsibility of the Bank's Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with both International Standards on Auditing and Auditing Standards for Islamic Financial Institutions. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as of 31 December 2005, and the results of its operations and of its cash flows for the year then ended in accordance with International Financial Reporting Standards, Financial Accounting

Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions, and the Islamic Shari'ah rules and principles as determined by the Shari'ah Supervisory Board of the Bank.

We confirm that, in our opinion, proper accounting records have been kept by the Bank and the financial statements, and the contents of the report of the Board of Directors relating to these financial statements, are in agreement therewith. We further report, to the best of our knowledge and belief, that no violations of the Bahrain Commercial Companies Law, nor of the Bahrain Monetary Agency Law, nor of the Memorandum and Articles of Association of the Bank, have occurred for the year then ended that might have had a material adverse effect on the business of the Bank or on its financial position and that the Bank has complied with the terms of its banking licence. We obtained all the information and explanations which we required for the purpose of our audit.



12 March 2006

Manama, Kingdom of Bahrain