

**Interim Consolidated Statement of Income**

For the nine months ended 30 September 2011 (Unaudited)

	Three months ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2011	2010	2011	2010
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
<b>Income</b>				
Investment banking fees	157	185	482	509
Income on due from financial institutions	294	485	1,202	1,247
Income from investment in real estate, net	35	32	163	133
Gain on sale of investments - net	-	499	-	499
Dividend income	129	35	129	362
Other income	129	230	569	708
<b>Total Income</b>	<b>744</b>	<b>1,466</b>	<b>2,545</b>	<b>3,458</b>
<b>Expenses</b>				
Corporate expenses	435	411	1,378	1,341
Deal acquisition expenses	124	113	501	676
Selling expenses	191	226	565	765
Asset management expenses	54	156	261	467
General and administration expenses	455	626	1,546	1,727
<b>Total Expenses</b>	<b>1,259</b>	<b>1,532</b>	<b>4,251</b>	<b>4,976</b>
<b>Operating Loss</b>	<b>(515)</b>	<b>(66)</b>	<b>(1,706)</b>	<b>(1,518)</b>
Share of loss of associates	(129)	-	(2,116)	-
<b>Net Loss Before Impairment Losses, Provisions and Gain / (Loss) on Foreign Exchange</b>	<b>(644)</b>	<b>(66)</b>	<b>(3,822)</b>	<b>(1,518)</b>
Impairment losses and provisions	(833)	(309)	(1,267)	(7,017)
(Loss) / gain on foreign exchange	(186)	337	68	(104)
<b>Net Loss for the Period</b>	<b>(1,663)</b>	<b>(38)</b>	<b>(5,021)</b>	<b>(8,639)</b>
Attributable to:				
Equity holders of the parent	(1,663)	(38)	(4,958)	(8,639)
Non controlling interest	-	-	(63)	-
	<b>(1,663)</b>	<b>(38)</b>	<b>(5,021)</b>	<b>(8,639)</b>

**Interim Consolidated Statement of Changes in Equity**

For the nine months ended 30 September 2011 (Unaudited)

	Share capital	Treasury shares	Share premium	Total reserves	Accumulated deficit	Non controlling interest	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Balance at 1 January 2011	109,996	(6,798)	72,050	7,027	(24,007)	-	158,268
Impact of conversion of assets held for sale into a subsidiary	-	-	-	-	-	1,652	1,652
Unrealised loss on re-measurement to fair value	-	-	-	(2,190)	-	-	(2,190)
Net loss for the period	-	-	-	-	(4,958)	(63)	(5,021)
Exchange differences on translation of foreign operations	-	-	-	674	-	45	719
<b>Balance at 30 September 2011</b>	<b>109,996</b>	<b>(6,798)</b>	<b>72,050</b>	<b>5,511</b>	<b>(28,965)</b>	<b>1,634</b>	<b>153,428</b>
Balance at 1 January 2010	109,996	(6,798)	72,050	4,491	(3,257)	-	176,482
Unrealised loss on re-measurement to fair value	-	-	-	(1,421)	-	-	(1,421)
Unrealised translation loss on assets classified as held for sale	-	-	-	(3,967)	-	-	(3,967)
Net loss for the period	-	-	-	-	(8,601)	-	(8,601)
Balance at 30 September 2010	109,996	(6,798)	72,050	(897)	(11,858)	-	162,493

**Interim Consolidated Statement of Financial Position**

At 30 September 2011

	(Unaudited)		(Audited)	
	30 September	31 December	2011	2010
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
<b>Assets</b>				
Cash and balances with banks	1,120	1,781		
Due from financial institutions	60,434	31,623		
Receivables	10,957	41,208		
Investments	20,073	22,800		
Investment in real estate	4,533	4,533		
Assets classified as held for sale	-	52,591		
Investment in associates	56,519	3,956		
Other assets	1,354	1,680		
<b>Total Assets</b>	<b>154,990</b>	<b>160,172</b>		
<b>Liabilities and Equity</b>				
Other liabilities	1,562	1,904		
<b>Total Liabilities</b>	<b>1,562</b>	<b>1,904</b>		
<b>Equity</b>				
Share capital	109,996	109,996		
Treasury shares	(6,798)	(6,798)		
Share premium	72,050	72,050		
Reserves	5,511	7,027		
Accumulated deficit	(28,965)	(24,007)		
Non controlling interest	1,634	-		
<b>Total Equity</b>	<b>153,428</b>	<b>158,268</b>		
<b>Total Liabilities and Equity</b>	<b>154,990</b>	<b>160,172</b>		

**Interim Consolidated Statement of Cash Flows**

For the nine months ended 30 September 2011 (Unaudited)

	30 September		30 September	
	2011	2010	2011	2010
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
<b>Operating Activities</b>				
Net loss for the period	(5,021)	(8,639)		
Adjustments for:				
Depreciation	485	521		
Share of loss of associates	2,116	(499)		
Impairment losses and provisions	1,267	7,017		
	(1,153)	(1,600)		
Changes in operating assets and liabilities:				
Receivables	3,520	(20,400)		
Other assets	139	80		
Other liabilities	(342)	(1,500)		
Purchase of investment	-	(213)		
Proceeds from disposal of investments	401	2,868		
Net cash from / (used in) operating activities	2,565	(20,765)		
<b>Investing Activities</b>				
Purchase of equipment	(187)	(166)		
Purchase of investment property	-	(4,754)		
Net cash used in investing activities	(187)	(4,920)		
<b>Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>2,378</b>	<b>(25,685)</b>		
Cash and cash equivalents at beginning of the period	33,404	57,676		
Cash and cash equivalents on conversion to a subsidiary	25,772	-		
<b>Cash and Cash Equivalents at End of the Period</b>	<b>61,554</b>	<b>31,991</b>		
<b>Cash and cash equivalents comprise:</b>				
Cash and balances with banks	1,120	1,103		
Due from financial institutions with an original maturity of 90 days or less	60,434	30,888		
	<b>61,554</b>	<b>31,991</b>		

The above statements have been extracted from the Interim Condensed Consolidated Financial Statements of International Investment Bank B.S.C.(c) for the nine month period ended 30 September 2011, which were approved for issue by the Board of Directors on 2 November 2011 and reviewed by Ernst & Young, Kingdom of Bahrain, who issued an unqualified review report on 2 November 2011.

Saeed Abdul Jalil Al Fahim  
Chairman

Aabed Al-Zeera  
Chief Executive Officer and Board Member

International Investment Bank B.S.C. (c)

37th Floor, Almoayyed Tower, Al Seef District, PO Box 11616, Manama, Kingdom of Bahrain.  
Telephone: (+973) 1756 5000, Fax: (+973) 1756 5050. [www.iib-bahrain.com](http://www.iib-bahrain.com)