

Interim Statement of Income

For the 6 month period ended 30 June 2008 (Reviewed)

	Three months ended		Six months ended	
	30 June 2008	30 June 2007	30 June 2008	30 June 2007
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
INCOME				
Investment banking fees	12,519	8,782	19,600	15,870
Income on due from financial institutions	1,287	180	3,206	703
Gain (loss) on financial assets fair valued through statement of income	(27)	(3)	78	532
Gain on investment property	-	1,368	-	1,368
Unrealised loss on available for sale investment	(130)	-	(130)	-
Other income	275	71	562	218
TOTAL INCOME	13,924	10,398	23,316	18,691
EXPENSES				
Corporate expenses	2,843	1,288	3,828	2,062
Deal acquisition expenses	2,358	632	3,283	1,481
Selling expenses	1,596	3,167	2,417	3,657
Asset management expenses	626	266	898	461
General and administration expenses	649	444	1,631	1,306
Expense on due to financial institutions	-	-	-	90
TOTAL EXPENSES	8,072	5,797	12,057	9,057
NET INCOME FOR THE PERIOD	5,852	4,601	11,259	9,634

Interim Balance Sheet

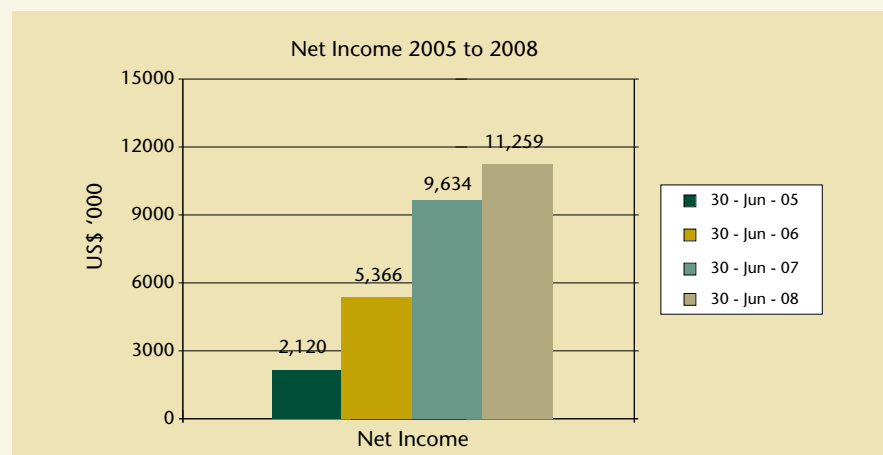
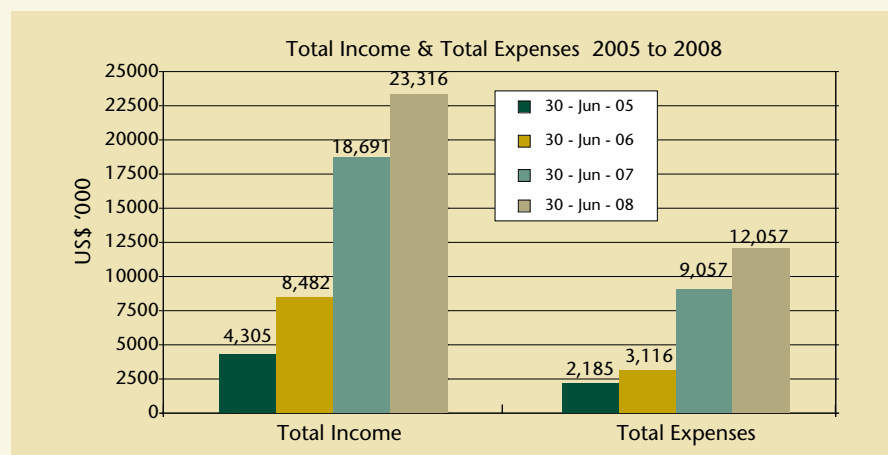
At 30 June 2008

	(Reviewed)	(Audited)
	30 June 2008	31 December 2007
	US\$ '000	US\$ '000
ASSETS		
Cash and balances with banks	1,856	3,668
Due from financial institutions	196,900	211,396
Investments	24,190	24,113
Investment in associates	9,949	12,288
Other assets	3,548	4,789
Equipment	1,152	1,066
TOTAL ASSETS	237,595	257,320
LIABILITIES AND EQUITY		
Other liabilities	19,754	40,926
TOTAL LIABILITIES	19,754	40,926
EQUITY		
Share capital	109,996	109,996
Treasury shares	-	(113)
Share premium	72,051	71,867
Reserves	35,794	24,418
Proposed appropriation	-	10,226
TOTAL EQUITY	217,841	216,394
TOTAL LIABILITIES AND EQUITY	237,595	257,320

Interim Statement of Changes in Equity

For the 6 month period ended 30 June 2008 (Reviewed)

	Share capital US\$ '000	Treasury shares US\$ '000	Share premium US\$ '000	Reserves				Total reserves US\$ '000	Proposed appropriations US\$ '000	Share subscriptions received US\$ '000	Total US\$ '000
				Statutory reserve US\$ '000	Cumulative changes in fair value reserve US\$ '000	Investment fair value reserve US\$ '000	Retained earnings US\$ '000				
Balance at 1 January 2008	109,996	(113)	71,867	4,236	-	67	20,115	24,418	10,226	-	216,394
Cumulative changes in fair value	-	-	-	-	117	-	-	117	-	-	117
Income recognised directly in equity	-	-	-	-	117	-	-	117	-	-	117
Net income for the period	-	-	-	-	-	-	11,259	11,259	-	-	11,259
Total income for the period	-	-	-	-	117	-	11,259	11,376	-	-	11,376
Transfer of fair value gain to reserve	-	-	-	-	-	78	(78)	-	-	-	-
Transferred to other liabilities	-	-	-	-	-	-	-	-	(10,226)	-	(10,226)
Treasury shares sold	-	113	184	-	-	-	-	-	-	-	297
Balance at 30 June 2008	109,996	-	72,051	4,236	117	145	31,296	35,794	-	-	217,841
Balance at 1 January 2007	43,000	(113)	-	2,125	703	304	11,106	14,238	4,290	-	61,415
Cumulative changes in fair value	-	-	-	-	(260)	-	-	(260)	-	-	(260)
Transfer to retained earnings	-	-	-	-	-	(304)	304	-	-	-	-
Income and expense recognised directly in equity	-	-	-	-	(260)	(304)	304	(260)	-	-	(260)
Net income for the period	-	-	-	-	-	-	9,634	9,634	-	-	9,634
Total income for the period	-	-	-	-	(260)	(304)	9,938	9,374	-	-	9,374
Transfer of fair value gain to reserve	-	-	-	-	-	91	(91)	-	-	-	-
Transfer to liability	-	-	-	-	-	-	-	-	(4,290)	-	(4,290)
Share subscription received	-	-	-	-	-	-	-	-	-	8,353	8,353
Balance at 30 June 2007	43,000	(113)	-	2,125	443	91	20,953	23,612	-	8,353	74,852



The above Statement of Income, Balance Sheet and Statement of Changes in Equity have been extracted from the Interim Condensed Financial Statements of International Investment Bank B.S.C. (c) for the six month period ended 30 June 2008, which were approved by the Board of Directors on 5 August 2008 and were reviewed by Ernst & Young, Kingdom of Bahrain.

Saeed Abdul Jalil Al Fahim
Chairman

Aabed Al-Zeera
Chief Executive Officer and Director