

**Interim Statement of Income**

For the six months ended 30 June 2010 (Unaudited)	Three months ended		Six months ended	
	30 June 2010	30 June 2009	30 June 2010	30 June 2009
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
<b>INCOME</b>				
Investment banking fees	161	468	324	1,587
Income on due from financial and other institutions	279	603	762	1,388
Income from investment property, net	101	–	101	–
Unrealised loss on financial assets fair valued through statement of income	–	–	–	(25)
Gain on sale of investment, net	–	198	–	198
Dividend income	285	458	327	495
Other income	220	185	478	185
	<b>1,046</b>	<b>1,912</b>	<b>1,992</b>	<b>3,828</b>
<b>EXPENSES</b>				
Corporate expenses	419	566	930	1,153
Deal acquisition expenses	256	451	563	1,229
Selling expenses	285	363	539	743
Asset management expenses	152	176	311	394
General and administration expenses	599	640	1,101	1,375
<b>TOTAL EXPENSES</b>	<b>1,711</b>	<b>2,196</b>	<b>3,444</b>	<b>4,894</b>
<b>OPERATING LOSS BEFORE IMPAIRMENT AND FOREIGN EXCHANGE GAINS / LOSSES</b>	<b>(665)</b>	<b>(284)</b>	<b>(1,452)</b>	<b>(1,066)</b>
Impairment losses	(5,739)	(201)	(6,708)	(317)
(Loss) / gain on foreign exchange	(281)	49	(441)	21
<b>NET LOSS FOR THE PERIOD</b>	<b>(6,685)</b>	<b>(436)</b>	<b>(8,601)</b>	<b>(1,362)</b>

**Interim Condensed Statement of Changes in Equity**

For the six months ended 30 June 2010 (Unaudited)

	Share capital US\$ '000	Treasury shares US\$ '000	Share premium US\$ '000	Total reserves US\$ '000	Proposed appropriations US\$ '000	Total US\$ '000
Balance at 1 January 2010	109,996	(6,798)	72,050	1,234	–	176,482
Loss recognised directly in equity	–	–	–	(5,388)	–	(5,388)
Net loss for the period	–	–	–	(8,601)	–	(8,601)
<b>Balance at 30 June 2010</b>	<b>109,996</b>	<b>(6,798)</b>	<b>72,050</b>	<b>(12,755)</b>	<b>–</b>	<b>162,493</b>
Balance at 1 January 2009	109,996	(6,798)	72,050	27,704	7,700	210,652
Loss recognised directly in equity	–	–	–	(8,644)	–	(8,644)
Net loss for the period	–	–	–	(1,362)	–	(1,362)
Dividend paid	–	–	–	–	(7,490)	(7,490)
Transfer to retained earnings						
related to treasury shares	–	–	–	210	(210)	–
Balance at 30 June 2009	109,996	(6,798)	72,050	17,908	–	193,156

**Interim Statement of Financial Position**

At 30 June 2010	(Unaudited) 30 June 2010	(Audited) 31 December 2009
	US\$ '000	US\$ '000
<b>ASSETS</b>		
Cash and balances with banks	1,402	1,974
Due from financial institutions	27,547	55,702
Receivables	43,548	51,124
Investments	29,495	37,413
Investment property	5,285	–
Assets classified as held for sale	50,682	26,880
Investment in associate	3,987	3,987
Other assets	2,072	2,396
<b>TOTAL ASSETS</b>	<b>164,018</b>	<b>179,476</b>
<b>LIABILITIES AND EQUITY</b>		
Other liabilities	1,525	2,994
<b>TOTAL LIABILITIES</b>	<b>1,525</b>	<b>2,994</b>
<b>EQUITY</b>		
Share capital	109,996	109,996
Treasury shares	(6,798)	(6,798)
Share premium	72,050	72,050
Reserves	(12,755)	1,234
<b>TOTAL EQUITY</b>	<b>162,493</b>	<b>176,482</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>164,018</b>	<b>179,476</b>

**Interim Statement of Cash Flows**

For the six months ended 30 June 2010 (Unaudited)	30 June 2010	30 June 2009
	US\$ '000	US\$ '000
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	(8,601)	(1,362)
Adjustments for:		
Depreciation	348	208
Unrealised loss on financial assets fair valued through statement of income	–	25
Impairment losses	6,708	317
	<b>(1,545)</b>	<b>(812)</b>
Changes in operating assets and liabilities:		
Receivable	(20,723)	1,830
Other assets	143	–
Other liabilities	(1,469)	(4,217)
Purchase of investments	(213)	(27,761)
Proceeds from disposal of investments	–	2,628
<b>Net cash used in operating activities</b>	<b>(23,807)</b>	<b>(28,332)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of equipment	(166)	(22)
Purchase of Investment property	(4,754)	–
<b>Net cash used in investing activities</b>	<b>(4,920)</b>	<b>(22)</b>
<b>FINANCING ACTIVITIES</b>		
Dividends paid	–	(7,367)
Net cash used in financing activities	–	(7,367)
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(28,727)</b>	<b>(35,721)</b>
Cash and cash equivalents at beginning of the period	57,676	120,473
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>28,949</b>	<b>84,752</b>
Cash and cash equivalents comprise of:		
Cash and balances with banks	1,402	2,740
Due from financial institutions	27,547	82,012
	<b>28,949</b>	<b>84,752</b>

The above statements 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 2010, which were approved for issue by the Board of Directors on 19 August 2010 and reviewed by Ernst & Young, Kingdom of Bahrain, who issued an unqualified review report on 19 August 2010.

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