

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

## 2010 Financial Results



## Statement of Income

For the year ended 31 December 2010

	2010 US\$ '000	2009 US\$ '000
<b>INCOME</b>		
Investment banking fees	666	2,120
Income on due from financial and other institutions	1,592	2,564
Income from investment in real estate, net	174	-
Unrealised fair value loss on investment in real estate	(751)	-
Gain on sale of investments, net	526	198
Dividend income	398	679
Other income	931	735
<b>TOTAL INCOME</b>	<b>3,536</b>	<b>6,296</b>
<b>EXPENSES</b>		
Corporate expenses	1,769	2,231
Deal acquisition expenses	857	1,959
Selling expenses	964	1,455
Asset management expenses	620	728
General and administration expenses	2,518	2,572
<b>TOTAL EXPENSES</b>	<b>6,728</b>	<b>8,945</b>
<b>OPERATING LOSS</b>	<b>(3,192)</b>	<b>(2,649)</b>
Share of loss from associate	(31)	(77)
<b>NET LOSS BEFORE IMPAIRMENT AND FOREIGN EXCHANGE LOSSES</b>	<b>(3,223)</b>	<b>(2,726)</b>
Impairment losses and provisions	(17,339)	(25,174)
Loss on foreign exchange	(188)	(3)
<b>NET LOSS FOR THE YEAR</b>	<b>(20,750)</b>	<b>(27,903)</b>

## Statement of Financial Position

At 31 December 2010

	2010 US\$ '000	2009 US\$ '000
<b>ASSETS</b>		
Cash and balances with banks	1,781	1,974
Due from financial institutions	31,623	55,702
Receivables	41,208	51,124
Investments	22,800	37,413
Investment in real estate	4,533	-
Assets classified as held for sale	52,591	26,880
Investment in associate	3,956	3,987
Other assets	1,680	2,396
<b>TOTAL ASSETS</b>	<b>160,172</b>	<b>179,476</b>
<b>LIABILITIES AND EQUITY</b>		
<b>TOTAL LIABILITIES</b>	<b>1,904</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	7,027	4,491
Accumulated deficit	(24,007)	(3,257)
<b>TOTAL EQUITY</b>	<b>158,268</b>	<b>176,482</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>160,172</b>	<b>179,476</b>

## Statement of Cash Flows

For the year ended 31 December 2010

	2010 US\$ '000	2009 US\$ '000
<b>OPERATING ACTIVITIES</b>		
Net loss for the year	(20,750)	(27,903)
Adjustments for:		
Depreciation	683	543
Unrealised fair value loss on investment in real estate	751	-
Gain on sale of investments, net	(526)	(198)
Share of loss from associate	31	77
Impairment losses and provisions	17,339	25,174
	(2,472)	(2,307)
Changes in operating assets and liabilities:		
Receivables	(18,672)	(19,311)
Other assets	200	172
Other liabilities	(1,090)	(5,072)
Purchase of investments	(213)	(35,416)
Proceeds from disposal of investments	2,894	8,190
<b>Net cash used in operating activities</b>	<b>(19,353)</b>	<b>(53,744)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of equipment	(166)	(1,563)
Purchase of investment in real estate	(4,753)	-
<b>Net cash used in investing activities</b>	<b>(4,919)</b>	<b>(1,563)</b>
<b>FINANCING ACTIVITY</b>		
Dividends paid	-	(7,490)
<b>Net cash used in financing activity</b>	<b>-</b>	<b>(7,490)</b>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(24,272)</b>	<b>(62,797)</b>
Cash and cash equivalents at beginning of the year	57,676	120,473
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>33,404</b>	<b>57,676</b>
<b>Cash and cash equivalents comprise:</b>		
Cash and balances with banks	1,781	1,974
Due from financial institutions	31,623	55,702
	33,404	57,676

## Statement of Changes in Equity

For the year ended 31 December 2010

	Share capital US\$ '000	Treasury shares US\$ '000	Share premium US\$ '000	Total reserves US\$ '000	Accumulated deficit US\$ '000	Proposed appropriations US\$ '000	Total US\$ '000
Balance at 1 January 2010	109,996	(6,798)	72,050	4,491	(3,257)	-	176,482
Unrealised gains on remeasurement to fair value, net	-	-	-	2,862	-	-	2,862
Transferred to statement of income on impairment	-	-	-	1,752	-	-	1,752
Unrealised translation losses on assets classified as held for sale	-	-	-	(2,078)	-	-	(2,078)
Net loss for the year	-	-	-	-	(20,750)	-	(20,750)
<b>Balance at 31 December 2010</b>	<b>109,996</b>	<b>(6,798)</b>	<b>72,050</b>	<b>7,027</b>	<b>(24,007)</b>	<b>-</b>	<b>158,268</b>
Balance at 1 January 2009	109,996	(6,798)	72,050	3,268	24,436	7,700	210,652
Unrealised gains on remeasurement to fair value, net	-	-	-	367	-	-	367
Unrealised translation gains on assets classified as held for sale	-	-	-	856	-	-	856
Net loss for the year	-	-	-	-	(27,903)	-	(27,903)
Dividend paid	-	-	-	-	-	(7,490)	(7,490)
Transfer to retained earnings relating to treasury shares	-	-	-	-	210	(210)	-
Balance at 31 December 2009	109,996	(6,798)	72,050	4,491	(3,257)	-	176,482

The above financial statements were approved for issue in accordance with a resolution of the Board of Directors on 14 March 2011 and have been extracted from Financial Statements audited by Ernst & Young, Kingdom of Bahrain, who expressed an unqualified opinion on 14 March 2011.

Saeed Abdul Jallil Al Fahim  
Chairman

Aabed Al-Zeera  
Chief Executive Officer and Board Member

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

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