

Statement of Income

For the nine month period ended 30 September 2008 (Unaudited)

	Three months ended		Nine months ended	
	30 Sep 2008 US\$ '000	30 Sep 2007 US\$ '000	30 Sep 2008 US\$ '000	30 Sep 2007 US\$ '000
INCOME				
Investment banking fees	1,895	3,268	21,495	19,138
Income on due from financial institutions	930	1,456	4,394	2,159
Income on Murabaha receivable	258	-	-	-
Gain on financial assets fair valued through statement of income	51	3	129	535
Gain on investment property	-	-	-	1,368
Unrealized loss on available for sale investments	-	(44)	(130)	(44)
Other income	489	1,524	1,051	1,742
TOTAL INCOME	3,623	6,207	26,939	24,898
EXPENSES				
Corporate expenses	718	439	4,546	2,501
Deal acquisition expenses	761	347	4,044	1,828
Selling expenses	620	325	3,037	3,982
Asset management expenses	216	269	1,114	730
General and administration expenses	522	460	2,154	1,766
Expense on due to financial institutions	-	-	-	90
TOTAL EXPENSES	2,837	1,840	14,895	10,897
NET INCOME FOR THE PERIOD	786	4,367	12,044	14,001

Statement of Changes in Equity

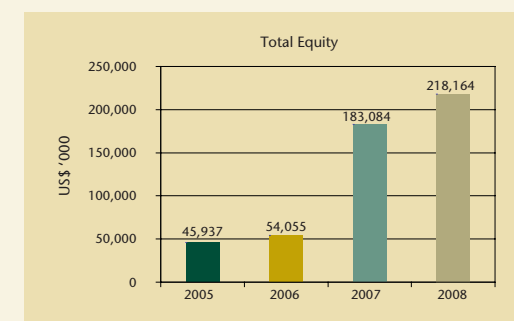
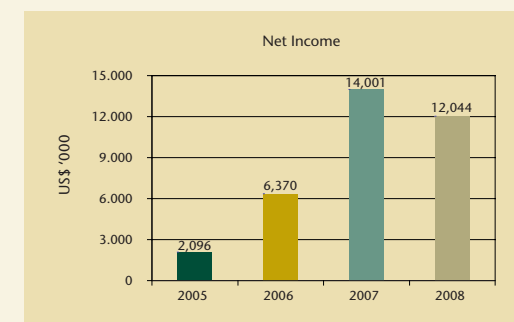
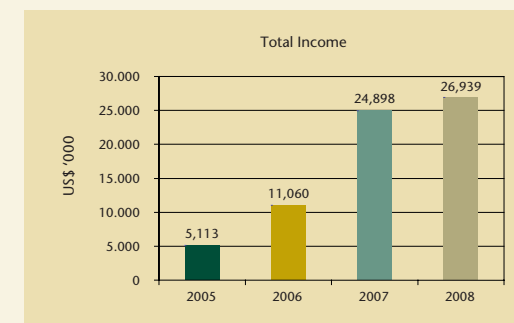
For the nine month period ended 30 September 2008 (Unaudited)

	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	-	-	-	-	(345)	-	-	(345)	-	-	(345)
Income recognised directly in equity	-	-	-	-	(345)	-	-	(345)	-	-	(345)
Net income for the period	-	-	-	-	-	-	12,044	12,044	-	-	12,044
Total income for the period	-	-	-	-	(345)	-	12,044	11,699	-	-	11,699
Transfer of fair value gain to reserve	-	-	-	-	-	129	(129)	-	-	-	-
Transferred to other liabilities	-	-	-	-	-	-	-	-	(10,226)	-	(10,226)
Treasury shares sold	-	113	184	-	-	-	-	-	-	-	297
Balance at 30 September 2008	109,996	-	72,051	4,236	(345)	196	32,030	36,117	-	-	218,164
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	-	-	-	-	(703)	-	-	(703)	-	-	(703)
Loss recognised directly in equity	-	-	-	-	(703)	-	-	-	-	-	-
Net income for the period	-	-	-	-	-	-	14,001	14,001	-	-	14,001
Total income for the period	-	-	-	-	(703)	-	14,001	13,298	-	-	13,298
Transfer to retained earnings on realisation	-	-	-	-	-	(224)	224	-	-	-	-
Transfer to liability	-	-	-	-	-	-	-	-	(4,290)	-	(4,290)
Share subscription received	-	-	-	-	-	-	-	-	-	112,661	112,661
Balance at 30 September 2007	43,000	(113)	-	2,125	-	80	25,331	27,536	-	112,661	183,084

Balance Sheet

At 30 September 2008 (Unaudited)

	(Unaudited) 30 September 2008 US\$ '000	(Audited) 31 December 2007 US\$ '000
ASSETS		
Cash and balances with banks	2,177	3,668
Due from financial institutions	134,113	211,396
Murabaha receivables	8,000	-
Investments	28,603	24,113
Investment in associates	10,151	12,288
Other assets	41,559	4,789
Equipment	1,062	1,066
TOTAL ASSETS	225,665	257,320
LIABILITIES AND EQUITY		
Other liabilities	7,501	40,926
TOTAL LIABILITIES	7,501	40,926
EQUITY		
Share capital	109,996	109,996
Treasury shares	-	(113)
Share premium	72,051	71,867
Reserves	36,117	24,418
Proposed appropriation	-	10,226
TOTAL EQUITY	218,164	216,394
TOTAL LIABILITIES AND EQUITY	225,665	257,320



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 nine month period ended 30 September 2008, which were approved by the Board of Directors on 10 November 2008 and were reviewed by Ernst & Young, Kingdom of Bahrain.

Saeed Abdul Jalil Al Fahim
Chairman

Aabed Al-Zeera
Chief Executive Officer and Board Member

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