

Interim Statement of Income

For the nine months ended 30 September 2009 (Unaudited)

	Three months ended		Nine months ended	
	30 Sep 2009	30 Sep 2008	30 Sep 2009	30 Sep 2008
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
INCOME				
Investment banking fees	229	1,895	1,816	21,495
Income on due from financial and other institutions	585	1,188	1,974	4,394
Gain on financial assets fair valued through statement of income	–	51	–	129
Unrealised loss on available for sale investments	–	–	–	(130)
Gain on sale of investments, net	–	19	198	164
Dividend income	126	469	621	658
Other income	272	14	457	246
TOTAL INCOME	1,212	3,636	5,066	26,956
EXPENSES				
Corporate expenses	541	718	1,694	4,546
Deal acquisition expenses	327	761	1,556	4,044
Selling expenses	342	620	1,085	3,037
Asset management expenses	197	216	591	1,114
General and administration expenses	538	522	1,913	2,154
TOTAL EXPENSES	1,945	2,837	6,839	14,895
NET INCOME BEFORE IMPAIRMENT AND FOREIGN EXCHANGE GAINS AND LOSSES	(733)	799	(1,773)	12,061
Provision for impairment	–	–	(317)	–
Gain/(loss) on foreign exchange	87	(13)	108	(17)
NET (LOSS) / INCOME FOR THE PERIOD	(646)	786	(1,982)	12,044

Interim Statement of Changes in Equity

For the nine months ended 30 September 2009 (Unaudited)

	Share capital	Treasury shares	Share premium	Total reserves	Proposed appropriations	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Balance at 1 January 2009	109,996	(6,798)	72,050	27,704	7,700	210,652
Changes in fair value	–	–	–	(14,234)	–	(14,234)
Movement for the period	–	–	–	1,370	–	1,370
(Loss) recognised directly in equity	–	–	–	(12,864)	–	(12,864)
Net loss for the period	–	–	–	(1,982)	–	(1,982)
Total loss for the period	–	–	–	(14,846)	–	(14,846)
Dividend paid	–	–	–	–	(7,490)	(7,490)
Dividend on treasury shares	–	–	–	210	(210)	–
Balance at 30 September 2009	109,996	(6,798)	72,050	13,068	–	188,316
Balance at 1 January 2008	109,996	(113)	71,867	24,418	10,226	216,394
Changes in fair value	–	–	–	(344)	–	(344)
Loss recognised directly in equity	–	–	–	(344)	–	(344)
Net income for the period	–	–	–	12,044	–	12,044
Total income for the period	–	–	–	11,700	–	11,700
Transfer to other liabilities	–	–	–	–	(10,226)	(10,226)
Treasury shares sold	–	113	183	–	–	296
Balance at 30 September 2008	109,996	–	72,050	36,118	–	218,164

Interim Statement of Financial Position

At 30 September 2009

	(Unaudited) 30 September 2009 US\$ '000	(Audited) 31 December 2008 US\$ '000
ASSETS		
Cash and balances with banks	3,517	2,205
Due from financial institutions	79,298	118,268
Receivables	29,953	33,813
Investments	42,248	57,048
Investments in associates	5,836	5,836
Other assets	737	595
Equipment	2,067	953
	163,656	218,718
Assets classified as held for sale	27,783	–
TOTAL ASSETS	191,439	218,718
LIABILITIES AND EQUITY		
Other liabilities	3,123	8,066
TOTAL LIABILITIES	3,123	8,066
EQUITY		
Share capital	109,996	109,996
Treasury shares	(6,798)	(6,798)
Share premium	72,050	72,050
Reserves	13,068	27,704
Proposed appropriations	–	7,700
TOTAL EQUITY	188,316	210,652
TOTAL LIABILITIES AND EQUITY	191,439	218,718

Interim Statement of Cash Flows

For the nine months ended 30 September 2009 (Unaudited)

	30 September 2009 US\$ '000	30 September 2008 US\$ '000
OPERATING ACTIVITIES		
Net (loss) / income for the period	(1,982)	12,044
Adjustments for:		
Depreciation	375	237
Unrealised loss / (gain) on financial assets fair valued through statement of income	–	(129)
Unrealised loss on available for sale investment	–	130
Gain on sale of investment	(198)	–
Other income	–	(219)
Provision for impairment	317	–
	(1,488)	12,063
Changes in operating assets and liabilities:		
Receivables and other assets	3,718	(44,770)
Other liabilities	(4,943)	(33,412)
Purchase of investments	(33,767)	(14,395)
Proceeds from disposal of investments	7,801	11,960
Net cash used in operating activities	(28,679)	(68,554)
INVESTING ACTIVITIES		
Purchase of equipment	(1,489)	(233)
Purchase of investment in associate	–	(311)
Disposal of investment in associate	–	266
Net cash used in investing activities	(1,489)	(278)
FINANCING ACTIVITIES		
Proceeds from sale of treasury shares	–	297
Dividends paid	(7,490)	(10,239)
Net cash used in financing activities	(7,490)	(9,942)
DECREASE IN CASH AND CASH EQUIVALENTS	(37,658)	(78,774)
Cash and cash equivalents at beginning of the period	120,473	215,064
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	82,815	136,290
Cash and cash equivalents comprise of:		
Cash and balances with banks	3,517	2,177
Due from financial institutions	79,298	134,113
	82,815	136,290

The above statements 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 2009, which were approved for issue by the Board of Directors on 04 November 2009 and reviewed by Ernst & Young, Kingdom of Bahrain, who issued an unqualified review report on 04 November 2009.

Saeed Abdul Jalil Al Fahim
Chairman

Aabed Al-Zeera
Chief Executive Officer and Board Member

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