

## The International Banking Corporation B.S.C (c) (in administration)

Trowers & Hamlins in its capacity as the external administrator (the **External Administrator**) of The International Banking Corporation B.S.C (c) (in administration) (**TIBC**) wishes to inform creditors of TIBC that Boubyan Bank KSC (**Boubyan**) has notified both the External Administrator and the Central Bank of Bahrain of Boubyan's intention to petition the courts in Bahrain for the compulsory liquidation of TIBC.

The External Administrator has already entered in to discussions with legal representatives of Boubyan, to resolve any issues raised by Boubyan amicably and to avoid a petition being formally filed. However, in the event that a formal petition for compulsory liquidation is filed with the courts, the External Administrator, in conjunction with the Central Bank of Bahrain, will oppose the petition vigorously.

Opposition to the petition will be based on two principal grounds. First, that compulsory liquidation is not a just and equitable action and does not serve the best interests of the broader creditor body as to do so would minimise the recovery prospects of all creditors, including Boubyan.

Further and in the alternative, the External Administrator will invoke the provisions of Article 142 of the Central Bank of Bahrain and Financial Institutions Law 2006 which imposes a moratorium during the period of administration on the commencement of legal proceedings and expressly states, among other matters, that any such proceedings may only be commenced with the express consent of the External Administrator itself. The External Administrator has not given any such consent and has no intention of doing so.

20 January 2011