

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 September 2012
(Amounts in United States Dollars thousands)

	30 September 2012 (reviewed)	31 December 2011 (audited)
ASSETS		
Cash and balances with banks	10,815	11,081
Placements with financial institutions	47,310	66,477
Financing receivables	93,483	95,838
Investment securities	112,934	130,383
Assets held-for-sale	18,932	2,560
Investments in associates	107,797	114,952
Investment property	17,706	17,706
Other assets	22,952	38,552
Equipment	4,617	5,483
TOTAL ASSETS	436,546	483,032
LIABILITIES AND EQUITY		
LIABILITIES		
Due to financial institutions	156,330	143,178
Due to customers	54,874	88,483
Other liabilities	15,510	16,205
TOTAL LIABILITIES	226,714	247,866
EQUITY		
Share capital	207,862	207,862
Statutory reserve	337	337
Investments fair value reserve	114	(227)
Foreign currency translation reserve	(8,495)	(8,642)
(Accumulated losses)/retained earnings	(19,468)	4,153
Equity attributable to the shareholders of the parent	180,350	203,483
Non-controlling interests	29,482	31,683
TOTAL EQUITY	209,832	235,166
TOTAL LIABILITIES AND EQUITY	436,546	483,032

CONDENSED CONSOLIDATED INCOME STATEMENT

for the nine months ended 30 September 2012 (Amounts in United States Dollars thousands)

	Nine months ended		Three months ended	
	30 September 2012 (reviewed)	30 September 2011 (reviewed)	30 September 2012 (reviewed)	30 September 2011 (reviewed)
Finance income	6,546	7,749	2,232	1,934
Finance expense	(5,944)	(7,379)	(1,925)	(1,573)
Net finance income	602	370	307	361
Income from investment securities	(11,620)	6,173	(687)	(1,119)
Fees and commission	2,656	3,595	1,605	1,362
Share of profit of associates	9,115	5,321	1,965	2,425
Other income	539	2,065	177	109
Total income	1,292	17,524	3,367	3,138
Staff cost	15,055	19,676	5,024	6,087
Legal and professional expenses	3,720	2,556	1,352	799
Premises cost	2,178	2,677	702	1,078
Business development expenses	781	1,022	236	211
Depreciation	1,462	1,660	462	516
Other operating expenses	4,080	4,494	1,363	925
Total expenses	27,276	32,085	9,139	9,616
Loss for the period before tax and impairment	(25,984)	(14,561)	(5,772)	(6,478)
Provision for tax	(1,380)	(1,500)	(380)	(500)
Reversal of impairment/(charge)	1,715	2,711	215	(2,837)
Loss for the period from continuing operations	(25,649)	(13,350)	(5,937)	(9,815)
(Loss)/income from assets held-for-sale and discontinued operations	(173)	14,717	183	8,101
(Loss)/profit for the period	(25,822)	1,367	(5,754)	(1,714)
Attributable to:				
Shareholders of the parent	(23,621)	2,907	(5,197)	(1,190)
Non-controlling interests	(2,201)	(2,175)	(557)	(524)
Non-controlling interests relating to assets held-for-sale	-	635	-	-
	(25,822)	1,367	(5,754)	(1,714)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the nine months ended 30 September 2012 (Amounts in United States Dollars thousands)

	30 September 2012 (reviewed)	30 September 2011 (reviewed)
Net cash (used in)/generated from operating activities	(34,353)	49,677
Net cash (used in)/generated from investing activities	(270)	53,205
Net cash generated from/(used in) financing activities	15,110	(128,273)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(19,513)	(25,391)
Effect of exchange rate changes on cash and cash equivalents	80	(2,188)
Cash and cash equivalents at beginning of the period	77,558	116,380
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	58,125	88,801
Cash and cash equivalents comprise:		
Cash and balances with banks	10,815	13,523
Placements with financial institutions	47,310	75,278
	58,125	88,801

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the nine months ended 30 September 2012
(Amounts in United States Dollars thousands)

	Attributable to the shareholders of the parent							Non-controlling interests	Non-controlling interests relating to assets held-for-sale	Total equity
	Share capital	Share premium	Statutory reserve	Investments fair value reserve	Foreign currency translation reserve	Retained earnings/ (accumulated losses)	Total			
30 September 2012 (reviewed)										
As at 1 January 2012	207,862	-	337	(227)	(8,642)	4,153	203,483	31,683	-	235,166
Loss for the period	-	-	-	-	-	(23,621)	(23,621)	(2,201)	-	(25,822)
Foreign currency translation differences	-	-	-	-	351	-	351	-	-	351
Fair value changes	-	-	-	192	-	-	192	-	-	192
Share of changes in reserves of associates	-	-	-	149	(204)	-	(55)	-	-	(55)
Total recognised income and expense for the period	-	-	-	341	147	(23,621)	(23,133)	(2,201)	-	(25,334)
As at 30 September 2012	207,862	-	337	114	(8,495)	(19,468)	180,350	29,482	-	209,832
30 September 2011 (reviewed)										
As at 1 January 2011	215,578	141,708	15,580	(262)	(6,112)	(213,964)	152,528	34,605	15,273	202,406
Profit/(loss) for the period	-	-	-	-	-	2,907	2,907	(2,175)	635	1,367
Foreign currency translation differences	-	-	-	-	(1,807)	(435)	(2,242)	(84)	-	(2,326)
Fair value changes	-	-	-	235	-	-	235	-	-	235
Transfer to income statement on sale	-	-	-	(79)	-	79	-	-	-	-
Share of changes in reserves of associates	-	-	-	(27)	10	-	(17)	-	-	(17)
Total recognised income and expense for the period	-	-	-	129	(1,797)	2,551	883	(2,259)	635	(741)
Conversion of subordinated murabaha	50,000	-	-	-	-	-	50,000	-	-	50,000
Capital reduction	(57,716)	(141,708)	(15,580)	-	-	215,004	-	-	-	-
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(15,908)	(15,908)
As at 30 September 2011	207,862	-	-	(133)	(7,909)	3,591	203,411	32,346	-	235,757

The condensed consolidated interim financial information was reviewed by KPMG Fakhro and authorised for issue by the Board of Directors on the 1st of November 2012. For further information, please visit the Bank's website at www.bankalkhair.com.


Yousef Abdullah Al-Shelash
Chairman


Hethloul Saleh Al-Hethloul
Board Member