

# BANK ALKHAIR B.S.C. (c) (FORMERLY UNICORN INVESTMENT BANK B.S.C.(c))

# BANK ALKHAIR

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2011

(Amounts in United States Dollars thousands)

	30 September 2011 (reviewed)	31 December 2010 (audited) (restated)
<b>ASSETS</b>		
Cash and balances with banks	13,523	43,943
Placements with financial institutions	75,278	72,437
Financing receivables	104,144	229,413
Investment securities	113,775	123,002
Investments in associates	114,461	104,745
Investment property	17,706	17,706
Other assets	28,123	8,632
Property and equipment	5,874	7,147
Assets held-for-sale	2,560	120,923
<b>TOTAL ASSETS</b>	<b>475,444</b>	<b>727,948</b>
<b>LIABILITIES AND OWNERS' EQUITY</b>		
<b>LIABILITIES</b>		
Due to financial and non-financial institutions	218,712	393,980
Subordinated murabaha	-	51,249
Other liabilities	20,975	27,696
Liabilities relating to assets held-for-sale	-	52,617
<b>TOTAL LIABILITIES</b>	<b>239,687</b>	<b>525,542</b>
<b>OWNERS' EQUITY</b>		
Share capital	207,862	215,578
Share premium	-	141,708
Statutory reserve	-	15,580
Fair value reserve	(133)	(262)
Foreign currency translation reserve	(7,909)	(6,112)
Retained earnings/(accumulated losses)	3,591	(213,964)
<b>Total equity attributable to the shareholders of the parent</b>	<b>203,411</b>	<b>152,528</b>
Non-controlling interests	32,346	34,605
Non-controlling interests relating to assets held-for-sale	-	15,273
<b>TOTAL OWNERS' EQUITY</b>	<b>235,757</b>	<b>202,406</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>475,444</b>	<b>727,948</b>

### CONDENSED CONSOLIDATED INCOME STATEMENT

for the nine months ended 30 September 2011 (Amounts in United States Dollars thousands)

	Nine months ended		Three months ended	
	30 September 2011 (reviewed)	30 September 2010 (reviewed)	30 September 2011 (reviewed)	30 September 2010 (reviewed)
Finance income	7,749	10,332	1,934	2,230
Finance expense	(7,379)	(14,720)	(1,573)	(4,276)
Net finance income/(expense)	370	(4,388)	361	(2,046)
Investment banking income/(loss)	9,098	(22,461)	40	3,769
Share of profit of associates	5,321	5,593	2,425	1,331
Other income	2,735	4,595	312	2,133
<b>Total income</b>	<b>17,524</b>	<b>(16,661)</b>	<b>3,138</b>	<b>5,187</b>
Staff cost	(19,676)	(32,380)	(6,087)	(6,925)
Legal and professional expenses	(2,556)	(5,594)	(799)	(653)
Premises cost	(2,677)	(2,376)	(1,078)	(740)
Business development expenses	(1,022)	(3,498)	(211)	(664)
Depreciation	(1,660)	(1,700)	(516)	(315)
Other operating expenses	(5,994)	(6,251)	(1,425)	(2,117)
<b>Total expenses</b>	<b>(33,585)</b>	<b>(51,799)</b>	<b>(10,116)</b>	<b>(11,414)</b>
<b>Loss for the period from continuing operations before impairment and provisions</b>	<b>(16,061)</b>	<b>(68,460)</b>	<b>(6,978)</b>	<b>(6,227)</b>
Reversal/(impairment charge)	2,711	(90,898)	(2,837)	6,520
Profit for the period from assets held-for-sale and discontinued operations	14,717	-	8,101	-
<b>Profit/(loss) for the period</b>	<b>1,367</b>	<b>(159,358)</b>	<b>(1,714)</b>	<b>293</b>
Attributable to:				
Shareholders of the parent	2,907	(157,288)	(1,190)	909
Non-controlling interests	(2,175)	(2,070)	(524)	(616)
Non-controlling interests relating to assets held-for-sale	635	-	-	-
	1,367	(159,358)	(1,714)	293

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the nine months ended 30 September 2011 (Amounts in United States Dollars thousands)

	30 September 2011 (reviewed)	30 September 2010 (reviewed)
Net cash generated from (used in) operating activities	49,251	(51,200)
Net cash generated from investing activities	53,205	6,651
Net cash used in financing activities	(128,273)	-
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(25,817)</b>	<b>(44,549)</b>
Effect of exchange rate changes on cash and cash equivalents	(1,762)	537
Cash and cash equivalents at the beginning of the period	116,380	433,855
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>88,801</b>	<b>389,843</b>
Cash and cash equivalents comprise:		
Cash and balances with banks	13,523	47,957
Placements with financial institutions	75,278	341,886
	88,801	389,843

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

for the nine months ended 30 September 2011

(Amounts in United States Dollars thousands)

30 September 2011 (reviewed) (restated)	Attributable to the shareholders of the parent							Non-controlling interests	Non-controlling interests relating to assets held-for-sale	Total owners' equity
	Share capital	Share premium	Statutory reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings/(accumulated losses)	Total			
At 1 January 2011	215,578	141,708	15,580	189	(6,112)	(215,004)	151,939	34,605	15,273	201,817
Impact of change in accounting policy	-	-	-	(451)	-	1,040	589	-	-	589
<b>Restated balance at 1 January 2011</b>	<b>215,578</b>	<b>141,708</b>	<b>15,580</b>	<b>(262)</b>	<b>(6,112)</b>	<b>(213,964)</b>	<b>152,528</b>	<b>34,605</b>	<b>15,273</b>	<b>202,406</b>
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 from fair value on sale	-	-	-	(79)	-	79	-	-	-	-
Share of changes in reserves of associates	-	-	-	(27)	10	-	(17)	-	-	(17)
<b>Total recognised income and expense for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>129</b>	<b>(1,797)</b>	<b>2,551</b>	<b>883</b>	<b>(2,259)</b>	<b>635</b>	<b>(741)</b>
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)
<b>At 30 September 2011</b>	<b>207,862</b>	<b>-</b>	<b>-</b>	<b>(133)</b>	<b>(7,909)</b>	<b>3,591</b>	<b>203,411</b>	<b>32,346</b>	<b>-</b>	<b>235,757</b>
30 September 2010 (reviewed) (restated)	215,578	141,708	15,580	10,280	(6,761)	3,324	379,709	37,321	6,622	423,652
At 1 January 2010	-	-	-	(10,400)	-	10,400	-	-	-	-
Impact of change in accounting policy	-	-	-	-	-	-	-	-	-	-
<b>Restated balance at 1 January 2010</b>	<b>215,578</b>	<b>141,708</b>	<b>15,580</b>	<b>(120)</b>	<b>(6,761)</b>	<b>13,724</b>	<b>379,709</b>	<b>37,321</b>	<b>6,622</b>	<b>423,652</b>
Loss for the period	-	-	-	-	-	(157,288)	(157,288)	(2,070)	-	(159,358)
Foreign currency translation differences	-	-	-	-	286	-	286	23	-	309
Fair value changes	-	-	-	(3,644)	-	-	(3,644)	-	-	(3,644)
Share of changes in reserves of associates	-	-	-	(140)	-	-	(140)	-	-	(140)
<b>Total recognised income and expense for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,784)</b>	<b>286</b>	<b>(157,288)</b>	<b>(160,786)</b>	<b>(2,047)</b>	<b>(6,622)</b>	<b>(162,833)</b>
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(6,622)	(6,622)
<b>At 30 September 2010</b>	<b>215,578</b>	<b>141,708</b>	<b>15,580</b>	<b>(3,904)</b>	<b>(6,475)</b>	<b>(143,564)</b>	<b>218,923</b>	<b>35,274</b>	<b>-</b>	<b>254,197</b>

The interim condensed consolidated financial statements were authorised for issue by the Board of Directors on 27 October 2011 and extracted from the interim financial information on which KPMG Fakhro issued an unqualified review report dated 27 October 2011. The interim financial information is obtainable from the Bank Alkhair website: www.bankalkhair.com

**Yousef Abdullah Al-Shelash**  
Chairman

**Hethloul Saleh Al-Hethloul**  
Board Member