

**ALAFCO AVIATION LEASE AND FINANCE
COMPANY K.S.C. (CLOSED)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)**

31 DECEMBER 2011

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION TO THE BOARD OF DIRECTORS OF ALAFCO AVIATION LEASE AND
FINANCE COMPANY K.S.C. (CLOSED)**

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of ALAFCO Aviation Lease and Finance Company K.S.C. (Closed) (the "parent company") and its subsidiaries (together, the "group") as at 31 December 2011, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three month period then ended. The management of the parent company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review


We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared in accordance with International Accounting Standard 34.

Report on other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of the parent company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Commercial Companies Law of 1960, as amended, or of the articles of association of the parent company during the period ended 31 December 2011 that might have had a material effect on the business of the parent company or on its financial position.



WALEED A. AL OSAIMI
LICENCE NO. 68 A
OF ERNST & YOUNG



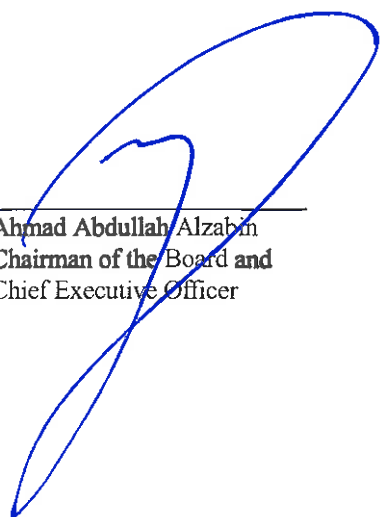
DR. SAUD AL-HUMAIDI
LICENSE NO. 51 A
DR. SAUD AL-HUMAIDI & PARTNERS
MEMBER OF BAKER TILLY
INTERNATIONAL

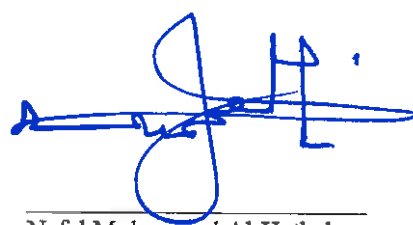
ALAFCO Aviation Lease and Finance Company K.S.C. (Closed)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

At 31 December 2011

		<i>(Audited)</i>		
		<i>31 December</i>	<i>30 September</i>	<i>31 December</i>
		<i>2011</i>	<i>2011</i>	<i>2010</i>
<i>Notes</i>		<i>KD</i>	<i>KD</i>	<i>KD</i>
ASSETS				
Aircraft, engines and equipment	4	531,089,698	532,175,728	547,719,179
Capital advances	5	17,970,188	15,445,984	15,661,374
Receivables		1,253,533	512,766	9,660,798
Cash and balances with financial institutions and short term murabahas	6	33,965,942	32,863,844	16,086,093
TOTAL ASSETS		584,279,361	580,998,322	589,127,444
EQUITY AND LIABILITIES				
EQUITY				
Share capital	7	77,977,157	77,977,157	77,977,157
Share premium		1,162,500	1,162,500	1,162,500
Statutory reserve		10,838,604	10,838,604	5,929,666
Foreign currency translation reserve		(2,442,755)	(4,094,848)	(2,083,580)
Retained earnings		63,546,459	56,441,048	36,474,590
Total equity		151,081,965	142,324,461	119,460,333
LIABILITIES				
Due to financial institutions	8	379,302,623	386,610,625	419,278,617
Security deposits	9	14,222,245	14,237,392	13,248,419
Maintenance reserve		28,552,619	24,582,495	15,233,345
Other liabilities		11,119,909	13,243,349	18,193,532
Dividend payable		-	-	3,713,198
Total liabilities		433,197,396	438,673,861	469,667,111
TOTAL EQUITY AND LIABILITIES		584,279,361	580,998,322	589,127,444


 Ahmad Abdullah Alzabin
 Chairman of the Board and
 Chief Executive Officer


 Nafel Mohammed Al-Hathal
 Vice Chairman

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

ALAFCO Aviation Lease and Finance Company K.S.C. (Closed)
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
 (UNAUDITED)

For the period ended 31 December 2011

	Notes	3 months ended 31 December	
		2011 KD	2010 KD
Operating lease income		12,966,105	12,291,909
Consultancy and service income		81,398	92,809
Murabaha income		215,005	135,432
Gain on cancellation of aircraft purchase agreements	10	13,286,441	19,692,448
Other income		3,011	20,133
Staff costs		(395,619)	(436,323)
Depreciation	4	(6,919,029)	(5,873,923)
Other operating expenses		(669,469)	(340,209)
Finance costs		(2,978,798)	(2,732,862)
PROFIT BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS) NATIONAL LABOUR SUPPORT TAX (NLST) AND ZAKAT		15,589,045	22,849,414
Contribution to KFAS		(140,301)	(205,645)
NLST		(389,726)	(571,235)
Zakat		(155,891)	(228,494)
PROFIT FOR THE PERIOD		14,903,127	21,844,040
Basic and diluted earnings per share	3	19.11 Fils	28.01 Fils

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

ALAFCO Aviation Lease and Finance Company K.S.C. (Closed)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 31 December 2011

	<i>3 months ended 31 December</i>	
	<i>2011</i>	<i>2010</i>
	<i>KD</i>	<i>KD</i>
Profit for the period	14,903,127	21,844,040
Other comprehensive income:		
Foreign currency translation adjustment	1,652,093	(1,423,279)
Other comprehensive income (expense) for the period	1,652,093	(1,423,279)
Total comprehensive income for the period	16,555,220	20,420,761

The attached notes I to 15 form part of this interim condensed consolidated financial information.

ALAFCO Aviation Lease and Finance Company K.S.C. (Closed)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 December 2011

	Share capital KD	Share premium KD	Statutory reserve KD	Foreign currency translation reserve KD	Retained earnings KD	Total KD
Balance at 1 October 2011	77,977,157	1,162,500	10,838,604	(4,094,848)	56,441,048	142,324,461
Profit for the period	-	-	-	-	14,903,127	14,903,127
Other comprehensive income for the period	-	-	-	1,652,093	-	1,652,093
Total comprehensive income for the period	-	-	-	1,652,093	14,903,127	16,555,220
Dividend (Note 7)	-	-	-	-	(7,797,716)	(7,797,716)
Balance at 31 December 2011	77,977,157	1,162,500	10,838,604	(2,442,755)	63,546,459	151,081,965
Balance at 1 October 2010	74,263,959	1,162,500	5,929,666	(660,301)	22,056,946	102,752,770
Profit for the period	-	-	-	-	21,844,040	21,844,040
Other comprehensive expense for the period	-	-	-	(1,423,279)	-	(1,423,279)
Total comprehensive (expense) income for the period	-	-	-	(1,423,279)	21,844,040	20,420,761
Issue of bonus shares	3,713,198	-	-	-	(3,713,198)	-
Dividend (Note 7)	-	-	-	-	(3,713,198)	(3,713,198)
Balance at 31 December 2010	77,977,157	1,162,500	5,929,666	(2,083,580)	36,474,590	119,460,333

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

ALAFCO Aviation Lease and Finance Company K.S.C. (Closed)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 31 December 2011

	Notes	3 months ended 31 December	
		2011 KD	2010 KD
OPERATING ACTIVITIES			
Profit for the period		14,903,127	21,844,040
Adjustments for:			
Depreciation	4	6,919,029	5,873,923
Murabaha income		(215,005)	(135,432)
Finance costs		2,978,798	2,732,862
		<u>24,585,949</u>	<u>30,315,393</u>
Changes in operating assets and liabilities:			
Receivables		(724,812)	(3,823,640)
Payables		(2,330,452)	(18,042,224)
Maintenance reserve		3,698,026	2,707,100
		<u>25,228,711</u>	<u>11,156,629</u>
Cash from operations			
Finance cost payments		(3,091,111)	(2,737,724)
		<u>22,137,600</u>	<u>8,418,905</u>
INVESTING ACTIVITIES			
Purchase of aircraft, engines and equipment		(311)	(66,172,318)
Capital advances for purchase of aircraft and engines	5	(5,601,882)	(912,981)
Refund of capital advances on cancellation of aircraft purchase agreements	5	3,248,646	-
Murabaha income received		204,726	196,816
Blocked bank account movement		324,454	(1,399,890)
		<u>(1,824,367)</u>	<u>(68,288,373)</u>
Net cash used in investing activities			
FINANCING ACTIVITIES			
Financing facilities obtained		-	74,575,966
Financing facilities repaid		(11,587,307)	(20,314,474)
Dividend paid	7	(7,797,716)	-
		<u>(19,385,023)</u>	<u>54,261,492</u>
Net cash (used in) from financing activities			
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Foreign currency translation adjustment		928,210	(5,607,976)
Cash and cash equivalents at 1 October		485,009	(329,831)
		<u>31,659,313</u>	<u>19,724,001</u>
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	6	<u><u>33,072,532</u></u>	<u><u>13,786,194</u></u>

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 31 December 2011

1 ACTIVITIES

ALAFCO Aviation Lease and Finance Company K.S.C. (Closed) (ALAFCO) (the “parent company”) is a closed shareholding company registered and incorporated in Kuwait on 10 May 2000 under the Commercial Companies Law No. 15 of 1960 and amendments thereto. The parent company is engaged in the business of aircraft leasing and providing of management, marketing and consultancy services to aviation related businesses. The parent company is a subsidiary of Kuwait Finance House K.S.C. (the “ultimate parent company”) and its registered head office is at Kuwait Chamber of Commerce and Industry Building Annexe, Third Floor, Shuhada Street, Al-Mirqab, Kuwait.

The shares of the parent company and the ultimate parent company are listed on the Kuwait Stock Exchange.

The interim condensed consolidated financial information includes transactions and balances of the parent company and wholly owned Special Purpose Companies (“SPC”) (its subsidiaries), together referred to as “the group”. All the transactions of SPC’s are entered on behalf of ALAFCO and are guaranteed by ALAFCO.

The interim condensed consolidated financial information of the group for the three month period ended 31 December 2011 was authorised for issue in accordance with a resolution of the board of directors on 12 February 2012.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial information of the group is prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

The interim condensed consolidated financial information does not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards. For more details please refer to audited financial statements for the year ended 30 September 2011. In addition, results for the three month period ended 31 December 2011 are not necessarily indicative of the results that may be expected for the financial year ending 30 September 2012.

The functional currency of the group is US dollars. The interim condensed consolidated financial information has been presented in Kuwaiti Dinars.

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the consolidated financial statements for the year ended 30 September 2011, except for the adoption of the following new and amended International Accounting Standards Board (“IASB”) Standards.

IAS 24 Related party disclosures (Revised)

The amended Standard clarified the definition of a related party and laid down additional requirement for disclosure of outstanding commitments to related parties. The adoption of the amendment did not have any impact on the financial position or performance of the group.

IAS 34 Interim Financial Reporting

Improvement to IAS 34 introduces the concept of “Significant events and transactions” to be disclosed in the interim financial report and clarifies how to apply this principle in respect of financial instruments and their fair values. Adoption of this improvement did not have any material impact on the financial position or performance of the group.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 31 December 2011

3 EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing profit for the period by the weighted average number of ordinary shares outstanding during the period as follows:

	<i>3 months ended 31 December</i>	
	<i>2011</i>	<i>2010</i>
Profit for the period (KD)	14,903,127	21,844,040
Weighted average number of ordinary shares	779,771,570	779,771,570
Basic and diluted earnings per share	<u>19.11 Fils</u>	<u>28.01 Fils</u>

4 AIRCRAFT, ENGINES AND EQUIPMENT

	<i>Aircraft and engines KD</i>	<i>Furniture and fixtures KD</i>	<i>Office equipment KD</i>	<i>Total KD</i>
Cost				
At 1 October 2011	621,804,431	208,328	58,364	622,071,123
Additions	-	311	-	311
Foreign currency adjustment	6,882,611	2,306	646	6,885,563
At 31 December 2011	<u>628,687,042</u>	<u>210,945</u>	<u>59,010</u>	<u>628,956,997</u>
Depreciation				
At 1 October 2011	89,801,486	53,050	40,859	89,895,395
Depreciation charge for the period	6,907,051	10,121	1,857	6,919,029
Foreign currency adjustment	1,051,734	672	469	1,052,875
At 31 December 2011	<u>97,760,271</u>	<u>63,843</u>	<u>43,185</u>	<u>97,867,299</u>
Net carrying amount				
At 31 December 2011	<u>530,926,771</u>	<u>147,102</u>	<u>15,825</u>	<u>531,089,698</u>
At 30 September 2011	<u>532,002,945</u>	<u>155,278</u>	<u>17,505</u>	<u>532,175,728</u>
At 31 December 2010	<u>547,507,607</u>	<u>189,074</u>	<u>22,498</u>	<u>547,719,179</u>

Aircraft with carrying value of KD 497,147,753 (30 September 2011: KD 497,798,031, 31 December 2010: KD 510,565,963) are under finance lease arrangements and are mortgaged against the financing facilities and are registered in the name of the lenders (Note 8).

During the current period, the group has revised the residual value of aircraft and engines from 24% to 20% of the purchase price as management believes that the revised residual value represents a more reliable estimate of the amount that the group will be able to receive currently for the aircraft and engines if the aircraft and engines were already of the age and in condition expected at the end of its useful life.

The impact on depreciation as a result of change in residual value has been accounted for prospectively and has resulted in an increase in depreciation charge for the period by KD 512,743 and decrease in net profit for the period by the same amount.

ALAFCO Aviation Lease and Finance Company K.S.C. (Closed)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 31 December 2011

5 CAPITAL ADVANCES

	<i>31 December</i> <i>2011</i> <i>KD</i>	<i>(Audited)</i> <i>30 September</i> <i>2011</i> <i>KD</i>	<i>31 December</i> <i>2010</i> <i>KD</i>
At 1 October	15,445,984	43,614,335	43,614,335
Additions	5,601,882	6,250,608	912,981
Transfer to aircraft, engines and equipment	-	(26,997,528)	(23,957,223)
Refund of capital advances on cancellation of aircraft purchase agreements	(3,248,646)	(6,056,806)	-
Transfer to receivables	-	-	(4,326,071)
Foreign currency adjustment	170,968	(1,364,625)	(582,648)
	<u>17,970,188</u>	<u>15,445,984</u>	<u>15,661,374</u>

Capital advances represent progress payments made towards the purchase of aircraft and engines. The commitments in this respect are disclosed in Note 11.

6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the interim condensed consolidated statement of cash flows include the following statement of financial position amounts:

	<i>31 December</i> <i>2011</i> <i>KD</i>	<i>(Audited)</i> <i>30 September</i> <i>2011</i> <i>KD</i>	<i>31 December</i> <i>2010</i> <i>KD</i>
Cash and balances with financial institutions	2,101,207	6,809,913	8,119,822
Short-term murabahas	31,864,735	26,053,931	7,966,271
Cash and balances with financial institutions and short term murabahas	33,965,942	32,863,844	16,086,093
Less: blocked bank account (Note 8)	(893,410)	(1,204,531)	(2,299,899)
Cash and cash equivalents	<u>33,072,532</u>	<u>31,659,313</u>	<u>13,786,194</u>

In accordance with Islamic Shareea'a, no interest is receivable on cash and balances with financial institutions.

Short-term murabahas represent short-term deals in international commodity transactions which earn a profit rate of 3% (30 September 2011: 3%, 31 December 2010: 3.49%).

Blocked bank account represents cash and bank balances with financial institutions which are blocked against the financing facilities obtained (Note 8).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 31 December 2011

7 SHARE CAPITAL AND DIVIDEND

The authorised, issued and fully paid share capital as at 31 December 2011 comprises 779,771,570 ordinary shares (30 September 2011: 779,771,570 ordinary share, 31 December 2010: 779,771,570 ordinary shares) of 100 fils each.

The Annual General Assembly held on 12 December 2011 approved cash dividend of 10% (30 September 2010: 5%) of par value of each share 10 fils per share (30 September 2010: 5 fils per share) amounting to KD 7,797,716 (30 September 2010: KD 3,713,198).

8 DUE TO FINANCIAL INSTITUTIONS

	<i>31 December</i>	<i>(Audited)</i> <i>30 September</i>	<i>31 December</i>
	<i>2011</i>	<i>2011</i>	<i>2010</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Balance due to financial institutions – financing lease facilities	379,302,623	383,855,125	405,246,117
Short term financing facility	-	2,755,500	14,032,500
	<u>379,302,623</u>	<u>386,610,625</u>	<u>419,278,617</u>

All the above financing lease facilities are secured over respective aircraft (Note 4) and are denominated in US Dollars. An amount of KD 893,410 (30 September 2011: KD 1,204,531, 31 December 2010: KD 2,299,899) included in cash and balances with financial institutions is blocked against the above financing lease facilities (Note 6).

9 SECURITY DEPOSITS

Security deposits represent amounts paid by the lessees/buyers as a security in accordance with the lease/sale agreements. The deposits are repayable to the lessees on the expiration of the lease agreements subject to satisfactory compliance of the lease agreements by the lessees.

10 GAIN ON CANCELLATION OF AIRCRAFT PURCHASE AGREEMENTS

During the period, the parent company entered into agreements for the cancellation of purchase and subsequent lease of six aircraft (31 December 2010: eight aircraft), which resulted in an aggregate net gain of KD 13,286,441 (31 December 2010: KD 19,692,448).

11 CAPITAL COMMITMENTS

Potential commitments in respect of purchase of aircraft and engines amount to KD 1,354,524,836 (30 September 2011: KD 1,240,334,959, 31 December 2010: KD 621,606,276) (Note 5).

ALAFCO Aviation Lease and Finance Company K.S.C. (Closed)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 December 2011

12 RELATED PARTY TRANSACTIONS

Related parties represent the ultimate parent company, major shareholders, directors and key management personnel of the parent company, and entities controlled, jointly controlled, or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the parent company's management.

Significant transactions with related parties included in the interim condensed consolidated financial information are as follows:

Interim condensed consolidated statement of income:

	<i>3 months ended 31 December</i>	
	<i>2011</i>	<i>2010</i>
	<i>KD</i>	<i>KD</i>
Murabaha income	215,005	135,432
Consultancy and service income	81,398	88,427
<i>Key management compensation:</i>		
Salaries and other short term benefits	233,456	229,430

Interim condensed consolidated statement of financial position:

	<i>Ultimate parent company</i>	<i>Other related parties</i>	<i>31 December 2011</i>	<i>(Audited) 30 September 2011</i>	<i>31 December 2010</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Borrowing cost capitalised	-	-	-	358,215	143,443
Receivables	850	60,988	61,838	55,521	29,568
Cash and balance with financial institutions and short term murabahas	2,907,069	30,164,735	33,071,804	31,658,594	13,785,460
Due to financial institutions	-	-	-	2,755,500	14,032,500
Accrued finance cost	-	-	-	27,762	339,898
Advance consultancy income	-	1,138	1,138	81,701	30,872

13 SEGMENT INFORMATION

The group is engaged primarily in only one business segment, aircraft leasing segment. However for management purposes the group is organised into five geographical segments.

For the three months ended 31 December 2011:

	<i>Middle East</i>	<i>Asia</i>	<i>Europe</i>	<i>USA</i>	<i>Africa</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Segment revenue	17,146,049	4,704,749	3,353,568	321,730	1,025,864	26,551,960
Segment results	13,545,175	1,133,751	571,757	98,912	239,450	15,589,045
Total assets	239,857,581	131,051,382	152,125,448	17,403,512	43,841,438	584,279,361
Total liabilities	20,656,341	18,670,535	313,709,893	76,335,190	3,825,437	433,197,396
Other segmental information:						
Depreciation	2,286,070	2,134,682	1,847,597	131,160	519,520	6,919,029
Capital expenditure	311	-	-	-	-	311

ALAFCO Aviation Lease and Finance Company K.S.C. (Closed)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 December 2011

13 SEGMENT INFORMATION (continued)

For the three months ended 31 December 2010:

	<i>Middle East KD</i>	<i>Asia KD</i>	<i>Europe KD</i>	<i>USA KD</i>	<i>Africa KD</i>	<i>Total KD</i>
Segment revenue	23,962,875	4,183,829	3,361,496	-	724,531	32,232,731
Segment results	20,807,875	951,128	893,746	-	196,665	22,849,414
Total assets	242,468,156	138,967,317	150,381,636	11,148,522	46,161,813	589,127,444
Total liabilities	222,068,865	93,041,017	116,831,890	-	37,725,339	469,667,111
Other segmental information:						
Depreciation	2,016,528	1,965,256	1,536,754	-	355,385	5,873,923
Capital expenditure	25,016,836	25,745,246	-	-	38,075,575	88,837,657

14 LIQUIDITY RISK

Liquidity risk is the risk that the group will encounter difficulty in raising funds to meet commitments associated with financial instruments. The group manages this risk by active cash flow management, short term financing facilities with various financial institutions, investment in short term murabahas and generation of funds from its operations. The maturity profile is monitored by finance department to ensure adequate liquidity is maintained by ensuring facilities from the ultimate parent company are available.

Commitments in respect of purchase of aircraft (Note 11) will be funded through the issue of equity, cash generated from operations and through bank borrowings, which will be arranged as the cash flow needs arise.

The table below summarises the maturity profile of the group's liabilities based on contractual undiscounted repayment obligations. The liquidity profile of financial liabilities reflects the projected cash flows which include future finance cost payments over the life of these financial liabilities. The liquidity profile of financial liabilities at 31 December 2011 was as follows:

31 December 2011	<i>Within 3 months KD</i>	<i>3 to 12 months KD</i>	<i>1 to 5 years KD</i>	<i>More than 5 years KD</i>	<i>Total KD</i>
Due to financial institutions	10,090,478	37,313,818	180,981,901	197,562,973	425,949,170
Security deposits	-	351,201	3,970,595	9,900,449	14,222,245
Maintenance reserve	-	-	10,956,916	17,595,703	28,552,619
Other liabilities (excluding lease rent received in advance)	3,403,462	539,798	-	464,035	4,407,295
TOTAL LIABILITIES	13,493,940	38,204,817	195,909,412	225,523,166	473,131,329
Capital commitments	-	-	67,790,345	1,286,734,491	1,354,524,836

ALAFCO Aviation Lease and Finance Company K.S.C. (Closed)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 December 2011

14 LIQUIDITY RISK (continued)

30 September 2011	<i>Within 3 months KD</i>	<i>3 to 12 months KD</i>	<i>1 to 5 years KD</i>	<i>More than 5 years KD</i>	<i>Total KD</i>
Due to financial institutions	13,882,808	35,491,414	179,203,170	204,573,897	433,151,289
Security deposits	-	347,356	3,927,126	9,962,910	14,237,392
Maintenance reserve	-	-	10,915,982	13,666,513	24,582,495
Other liabilities	1,555,831	3,228,544	-	446,913	5,231,288
TOTAL LIABILITIES	15,438,639	39,067,314	194,046,278	228,650,233	477,202,464
Capital commitments	-	3,788,813	25,592,728	1,210,953,418	1,240,334,959
31 December 2010	<i>Within 3 months KD</i>	<i>3 to 12 months KD</i>	<i>1 to 5 years KD</i>	<i>More than 5 years KD</i>	<i>Total KD</i>
Due to financial institutions	9,522,438	48,358,878	189,965,223	227,383,138	475,229,677
Security deposits	-	-	3,931,499	9,316,920	13,248,419
Maintenance reserve	-	-	6,662,800	8,570,545	15,233,345
Other liabilities (excluding lease rent received in advance)	3,233,293	2,470,490	94,561	404,295	6,202,639
Dividend payable	3,713,198	-	-	-	3,713,198
TOTAL LIABILITIES	16,468,929	50,829,368	200,654,083	245,674,898	513,627,278
Capital commitments	-	8,501,185	6,568,251	606,536,842	621,606,278

15 OPERATING LEASE INCOME

The future minimum lease rent receivable on the operating lease is KD 263,128,117 (30 September 2011: KD 244,316,708, 31 December 2010: KD 345,033,675) and is receivable as follows:

	<i>31 December 2011 KD</i>	<i>(Audited) 30 September 2011 KD</i>	<i>31 December 2010 KD</i>
Income receivable within one year	52,079,061	48,439,157	51,544,367
Income receivable within one year to five years	151,936,088	141,520,761	216,652,087
Income receivable after five years	59,112,968	54,356,790	76,837,221
	263,128,117	244,316,708	345,033,675