

**Seera Investment Bank B.S.C. (c)**  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS**  
**30 JUNE 2016 (REVIEWED)**

## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF SEERA INVESTMENT BANK B.S.C. (c)**

### *Introduction*

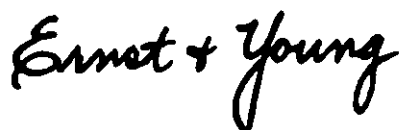
We have reviewed the accompanying interim condensed consolidated statement of financial statements of Seera Investment Bank B.S.C. (c) (the "Bank") and its subsidiaries (the "Group") as at 30 June 2016, comprising of the interim consolidated statement of financial position as at 30 June 2016 and the related interim consolidated statements of income, cash flows and changes in owners' equity for the six-month period then ended, and explanatory notes. The Board of Directors and management are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the accounting policies disclosed in note 2. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements 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 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 statements are not prepared, in all material respects, in accordance with the accounting policies disclosed in note 2.



8 August 2016  
Manama, Kingdom of Bahrain

**Seera Investment Bank B.S.C. (c)**

**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At 30 June 2016 (Reviewed)

		<i>(Reviewed)</i>	<i>(Audited)</i>
		<b>30 June</b>	<b>31 December</b>
		<b>2016</b>	<b>2015</b>
	<i>Note</i>	<b>US\$ '000</b>	<b>US\$ '000</b>
<b>ASSETS</b>			
Cash and balances with banks		4,557	2,396
Due from banks and financial institutions	3	42,572	40,700
Non-trading investments	4	22,575	30,529
Investment in ijarah assets	5	72,311	74,100
Investment in real estate		10,476	10,476
Other assets	6	8,483	5,271
Property and equipment		5,483	5,578
<b>TOTAL ASSETS</b>		<b>166,457</b>	<b>169,050</b>
<b>LIABILITIES AND OWNERS' EQUITY</b>			
<b>LIABILITIES</b>			
Term financing	7	13,341	14,496
Other liabilities		6,180	6,952
<b>TOTAL LIABILITIES</b>		<b>19,521</b>	<b>21,448</b>
<b>OWNERS' EQUITY</b>			
Share capital		145,643	145,643
Reserves		10,155	10,172
Accumulated losses		(19,017)	(17,977)
<b>Equity attributable to shareholders of the parent</b>		<b>136,781</b>	<b>137,838</b>
Non-controlling interest		10,155	9,764
<b>TOTAL OWNERS' EQUITY</b>		<b>146,936</b>	<b>147,602</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>166,457</b>	<b>169,050</b>

  
 Hamad Al Ameer  
 Chairman

  
 Abdulla Janahi  
 Chief Executive Officer

  
 Mubarak Al Hemeiri  
 Board Member

The attached explanatory notes 1 to 13 form part of these interim condensed consolidated financial statements

**Seera Investment Bank B.S.C. (c)**

**INTERIM CONSOLIDATED STATEMENT OF INCOME**

For the six month period ended 30 June 2016 (Reviewed)

	Note	Three months ended		Six months ended	
		30 June		30 June	
		2016	2015	2016	2015
		US\$ '000	US\$ '000	US\$ '000	US\$ '000
Rental income from investment in ijarah assets	8	2,276	2,835	4,525	5,825
Depreciation on investment in ijarah assets	5	(1,686)	(2,393)	(3,371)	(4,785)
Management fees relating to ijarah assets		(62)	(107)	(124)	(254)
Financing cost relating to term financing obtained to purchase ijarah assets		(148)	(396)	(337)	(811)
Other income relating to ijarah assets		34	32	59	1,312
Gain on disposal of ijarah assets		-	-	2,232	-
Other operating expenses relating to ijarah assets		(60)	(17)	(180)	(451)
<b>Net income from investment in ijarah assets</b>		<b>354</b>	<b>(46)</b>	<b>2,804</b>	<b>836</b>
Profit on amounts due from banks and financial institutions		114	43	215	73
Profit on financing contracts		-	-	-	2,027
<b>Income from financing activities</b>		<b>114</b>	<b>43</b>	<b>215</b>	<b>2,100</b>
Fee and other income	9	95	325	264	1,162
Foreign exchange loss		(298)	821	(445)	272
Gain on sale of investment classified as held for sale		-	1,399	-	1,399
<b>TOTAL INCOME</b>		<b>265</b>	<b>2,542</b>	<b>2,838</b>	<b>5,769</b>
<b>Expenses</b>					
Staff expenses		893	885	1,786	1,769
General and administrative expenses		335	322	630	704
Depreciation on property and equipment		69	69	137	134
<b>TOTAL EXPENSES</b>		<b>1,297</b>	<b>1,276</b>	<b>2,553</b>	<b>2,607</b>
<b>NET INCOME FOR THE PERIOD</b>					
<b>BEFORE UNREALISED LOSS</b>		<b>(1,032)</b>	<b>1,266</b>	<b>285</b>	<b>3,162</b>
Unrealised fair value loss on investments		(702)	357	(934)	(864)
<b>NET (LOSS) INCOME FOR THE PERIOD</b>		<b>(1,734)</b>	<b>1,623</b>	<b>(649)</b>	<b>2,298</b>
Attributable to:					
Shareholders of the parent		(1,761)	1,528	(1,040)	2,238
Non-controlling interest		27	95	391	60
		<b>(1,734)</b>	<b>1,623</b>	<b>(649)</b>	<b>2,298</b>

  
**Hamad Al Ameer**  
 Chairman

  
**Abdulla Janahi**  
 Chief Executive Officer

  
**Mubarak Al Hameiri**  
 Board Member

The attached explanatory notes 1 to 13 form part of these interim condensed consolidated financial statements

Seera Investment Bank B.S.C. (c)

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

For the six month period ended 30 June 2016 (Reviewed)

	Note	Six months ended	
		30 June 2016 US\$ '000	30 June 2015 US\$ '000
<b>OPERATING ACTIVITIES</b>			
Net (loss) income for the period		(649)	2,298
Adjustments for:			
Depreciation on investment in ijarah assets	5	3,371	4,785
Depreciation on property and equipment		137	134
Gain on disposal of ijarah assets		(2,232)	-
Unrealised fair value loss on investments		934	864
Other income relating to ijarah assets		(59)	-
Gain on sale of investment classified as held for sale		-	(1,399)
		<u>1,502</u>	<u>6,682</u>
Changes in operating assets and liabilities:			
Financing contracts		-	3,910
Other assets		(3,256)	16,086
Other liabilities		(772)	(2,332)
Net cash (used in) from operating activities		<u>(2,526)</u>	<u>24,346</u>
<b>INVESTING ACTIVITIES</b>			
Proceeds from disposal of ijarah assets		762	-
Purchase of non-trading investments	12	(841)	(6,058)
Proceeds from placement / disposal of non trading investments		7,844	-
Purchase of ijarah assets		(31)	-
Purchase of equipment		(20)	-
Net cash from (used in) investing activities		<u>7,714</u>	<u>(6,058)</u>
<b>FINANCING ACTIVITY</b>			
Repayment of term financing		(1,155)	(3,881)
Net cash used in financing activity		<u>(1,155)</u>	<u>(3,881)</u>
<b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>		<b>4,033</b>	<b>14,407</b>
Cash and cash equivalents at the beginning of the period		<u>43,096</u>	<u>19,661</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b><u>47,129</u></b>	<b><u>34,068</u></b>
Cash and cash equivalents comprise:			
Cash and balances with banks		4,557	1,766
Due from banks and financial institutions with original maturity of ninety days or less	3	42,572	32,302
		<u>47,129</u>	<u>34,068</u>

The attached explanatory notes 1 to 13 form part of these interim condensed consolidated financial statements

**Seera Investment Bank B.S.C. (c)**  
**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY**

For the six month period ended 30 June 2016 (Reviewed)

	Equity attributable to shareholders of the parent						
	Share capital US\$ '000	Statutory reserve US\$ '000	Investments fair value reserve US\$ '000	Accumulated losses / US\$ '000	Total US\$ '000	Non- controlling interest US\$ '000	Total owners' equity US\$ '000
Balance at 1 January 2016	145,643	9,889	283	(17,977)	137,838	9,764	147,602
Net income for the period	-	-	-	(1,040)	(1,040)	391	(649)
Unrealised gain on remeasurement to fair value	-	-	(17)	-	(17)	-	(17)
<b>Balance at 30 June 2016</b>	<b>145,643</b>	<b>9,889</b>	<b>266</b>	<b>(19,017)</b>	<b>136,781</b>	<b>10,155</b>	<b>146,936</b>
Balance at 1 January 2015	145,643	9,609	653	(20,497)	135,408	9,764	145,172
Net income for the period	-	-	-	2,238	2,238	60	2,298
Unrealised loss on remeasurement to fair value	-	-	205	-	205	-	205
<b>Balance at 30 June 2015</b>	<b>145,643</b>	<b>9,609</b>	<b>858</b>	<b>(18,259)</b>	<b>137,851</b>	<b>9,824</b>	<b>147,675</b>

The attached explanatory notes 1 to 13 form part of these interim condensed consolidated financial statements

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2016 (Reviewed)

**1 INCORPORATION AND ACTIVITIES**

Seera Investment Bank B.S.C. (c) (the "Bank") was incorporated on 5 August 2006, under commercial registration number 62003 as a Bahrain Joint Stock Company (closed). The Bank's registered office is Building 2431, Road 2831, Block 428, Seef, Kingdom of Bahrain.

The Bank operates under an Islamic Wholesale Banking License issued by the Central Bank of Bahrain (the "CBB"). The Bank and its subsidiaries (the "Group") provide investment banking products and services that are compliant with Shari'a principles.

The interim condensed consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 8 August 2016.

**2 ACCOUNTING POLICIES**

**2.1 Basis of preparation**

These interim condensed consolidated financial statements for the six month period ended 30 June 2016 have been prepared in accordance with the guidance given by International Accounting Standard 34 "Interim Financial Reporting". The interim condensed consolidated financial statements do not contain all information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the annual consolidated financial statements as at 31 December 2015. In addition, results for the six month period ended 30 June 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016.

**2.2 Accounting convention**

The interim condensed consolidated financial statements have been prepared on a historical cost basis, except for investment in real estate and investments classified as "non-trading investments" that have been measured at fair value.

The interim condensed consolidated financial statements have been presented in United States Dollars ("US\$"), being the functional and presentation currency of the Group. All values are rounded to the nearest thousand (US\$ '000) except when indicated otherwise.

**2.3 Significant accounting policies**

These interim condensed consolidated financial statements have been prepared using accounting policies, which are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2015, except for the adoption of the following new standards and amendments issued by AAOIFI which became effective from 1 January 2016. The adoption of this standard will enhance certain disclosures with respect to investment account holders and bases of profit allocation without having any significant impact on the financial statements of the Group.

*FAS 23 - Consolidation*

The amendments introduced in FAS 23 provide clarification on the way an Islamic Financial Institution (IFI) should determine if financial statements of an investee company, or a subsidiary, should be consolidated with its own. The amendments provide clarification that, in addition to the existing stipulations in the standard, control may also exist through rights arising from other contractual arrangements, voting rights of the IFI that give de facto power over an entity, potential voting rights, or a combination of these factors. In terms of voting rights, the amendments also clarify that an IFI shall consider only substantive voting rights in its assessment of whether the institution has power over an entity. In order to be substantive, the voting rights need to be exercisable when relevant decisions are required to be made and the holder of such rights must have the practical ability to exercise those rights. Determination of voting rights shall include current substantive voting rights and currently-exercisable voting rights.

The amendments and clarifications are effective for the annual financial periods ending on or after 31 December 2015. The transition provision requires retrospective application including restatement of previous period comparatives. The amendment had no impact on the consolidation of investments held by the Group.

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

At 30 June 2016 (Reviewed)

**2 ACCOUNTING POLICIES****2.3 Significant accounting policies (continued)***FAS 27 – Investment Accounts*

FAS 27 replaced FAS 5 - 'Disclosures of Bases for Profit Allocation between Owner's Equity and Investment Account Holders' and FAS 6 - 'Equity of Investment Account Holders and their Equivalent'. Upon adoption of this standard certain disclosures with respect to investment account holders and bases of profit allocation will be enhanced without having any significant impact on the financial statements of the Group.

**3 DUE FROM BANKS AND FINANCIAL INSTITUTIONS**

	<i>(Reviewed)</i> 30 June 2016 US\$ '000	<i>(Audited)</i> 31 December 2015 US\$ '000
Commodity murabaha contracts	27,582	27,102
Deferred income	(11)	(7)
	<u>27,571</u>	<u>27,095</u>
Wakala contracts	15,001	13,605
	<u>42,572</u>	<u>40,700</u>

**4 NON-TRADING INVESTMENTS**

	<i>(Reviewed)</i> 30 June 2016 US\$ '000	<i>(Audited)</i> 31 December 2015 US\$ '000
<b>Equity type investments at fair value through equity</b>		
Quoted investment	1,319	1,336
Unquoted investment	8,201	8,359
	4.1 <u>9,520</u>	<u>9,695</u>
<b>Equity type investment at fair value through statement of income</b>		
Unquoted investments	12 <u>13,055</u>	<u>20,834</u>
	<u>22,575</u>	<u>30,529</u>

**4.1** The movement of non- trading investments at fair value through equity during the period 2016 is as follows:

	<i>(Reviewed)</i> 30 June 2016 US\$ '000	<i>(Audited)</i> 31 December 2015 US\$ '000
At 1 January	9,695	10,333
Fair value changes during the period / year as follows	(175)	(336)
Provisions	-	(302)
At 30 June 2016 / 31 December 2015	<u>9,520</u>	<u>9,695</u>



Seera Investment Bank B.S.C. (c)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2016 (Reviewed)

5 INVESTMENT IN IJARAH ASSETS

Investment in ijarah assets represents aircraft indirectly acquired through subsidiaries of the Bank.

	<i>Cost at 1 January 2016 US\$ '000</i>	<i>Accumulated depreciation 1 January 2016 US\$ '000</i>	<i>Depreciation charge 2016 US\$ '000</i>	<i>Additions US\$ '000</i>	<i>(Reviewed) Net book value at 30 June 2016 US\$ '000</i>	<i>(Audited) Net book value at 31 December 2015 US\$ '000</i>
Falak Lease One Limited	39,746	7,420	1,129	602	31,799	32,326
Falak Lease Two Limited	41,035	7,017	1,152	980	33,846	34,018
Falak Fin Seven Limited	43,056	10,900	1,090	-	31,066	32,156
	<u>123,837</u>	<u>25,337</u>	<u>3,371</u>	<u>1,582</u>	<u>96,711</u>	<u>98,500</u>
Provision and impairment					(24,400)	(24,400)
					<u>72,311</u>	<u>74,100</u>

The movement in provision and impairment is as follows:

	<i>(Reviewed) 30 June 2016 US\$ '000</i>	<i>(Audited) 31 December 2015 US\$ '000</i>
At 1 January	24,400	38,826
Charge during the period / year	-	1,426
Release of provision upon disposal of ijarah assets	-	(15,852)
At 30 June 2016 / 31 December 2015	<u>24,400</u>	<u>24,400</u>

6 OTHER ASSETS

	<i>(Reviewed) 30 June 2016 US\$ '000</i>	<i>(Audited) 31 December 2015 US\$ '000</i>
Receivable on sale of aircraft	3,394	1,875
Staff receivables	397	442
Prepaid expenses	254	139
Rental receivable	2,392	-
Advance against an investment	1,425	-
Others	621	2,815
	<u>8,483</u>	<u>5,271</u>

7 TERM FINANCING

	<i>(Reviewed) 30 June 2016 US\$ '000</i>	<i>(Audited) 31 December 2015 US\$ '000</i>
Falak Fin Seven Limited	13,341	14,496
	<u>13,341</u>	<u>14,496</u>

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

At 30 June 2016 (Reviewed)

**7 TERM FINANCING (continued)**

The movement in term financing is as follows:

	<i>(Reviewed)</i> 30 June 2016 US\$ '000	<i>(Audited)</i> 31 December 2015 US\$ '000
Balance at 1 January	14,496	46,816
Financing cost	337	1,325
Repayments	(1,492)	(33,645)
Balance at 30 June 2016 / 31 December 2015	<u>13,341</u>	<u>14,496</u>

The above financing has been obtained by the Bank's subsidiaries to purchase ijarah assets and mature within 3 years bearing profit rate of 4.190%.

**8 RENTAL INCOME FROM INVESTMENT IN IJARAH ASSETS**

	<i>(Reviewed)</i> 30 June 2016 US\$ '000	<i>(Reviewed)</i> 30 June 2015 US\$ '000
Falak Lease One Limited	1,489	161
Falak Lease Two Limited	1,458	-
Falak Lease Seven Limited	1,578	1,578
Falak Fin Eight Limited	-	2,465
Falak Fin Eleven Limited	-	1,621
	<u>4,525</u>	<u>5,825</u>

**9 FEE AND OTHER INCOME**

	<i>(Reviewed)</i> 30 June 2016 US\$ '000	<i>(Reviewed)</i> 30 June 2015 US\$ '000
Arrangement fees	-	157
Dividend income	-	963
Management fees	-	42
Yield on investment	264	-
	<u>264</u>	<u>1,162</u>

**10 RELATED PARTIES**

Related parties comprise the Bank's significant Shareholders, the directors, Shari'a Supervisory Board members, entities owned or controlled, jointly controlled or significantly influenced by them and companies affiliated by virtue of shareholding in common with that of the Bank. These transactions have been carried out on an arm's length basis in manner similar to transactions with a third party. For the period ended 30 June 2016, the Bank has not made any provision related to amounts owed by related parties (31 December 2015: Nil).

Seera Investment Bank B.S.C. (c)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2016 (Reviewed)

10 RELATED PARTIES (continued)

The balances and transactions with related parties are as follows:

	30 June 2016 (Reviewed)			(Audited) 31 December 2015	
	Shareholders	Directors	Others	Total	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$ '000
<b>Interim consolidated statement of financial position</b>					
<b>Asset</b>					
Other assets	-	-	397	397	442
<b>Other liabilities</b>					
<b>Board of Board</b>					
attendance allowance	-	294	-	294	274
<b>Shari'a</b>					
attendance allowance	-	-	22	22	53

	30 June 2016 (Reviewed)			(Reviewed) 30 June 2015	
	Shareholders	Directors	Others	Total	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$ '000
<b>Interim consolidated statement of income</b>					
<b>Expenses</b>					
<b>Management fees relating to ijarah assets</b>					
	-	-	124	124	-
<b>Board of</b>					
attendance allowance	-	63	-	63	63
<b>Shari'a</b>					
attendance allowance	-	-	53	53	53

Key management personnel are those that possess significant decision making and direction setting responsibilities within the Bank. Staff costs attributable to key management personnel of the Bank are as follows:

	(Reviewed) Six months ended	
	30 June 2016	30 June 2015
	US\$ '000	US\$ '000
Short term employee expenses	703	629
Termination expenses	74	106
	<u>777</u>	<u>735</u>

**Seera Investment Bank B.S.C. (c)**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

At 30 June 2016 (Reviewed)

**11 ACCOUNTING CLASSIFICATION OF FINANCIAL INSTRUMENTS**

Set out below is an overview of financial instruments, other than cash and cash equivalents, held by the Group as at 30 June 2016:

	<i>Amortised Cost US\$ '000</i>	<i>Fair value through equity US\$ '000</i>	<i>Fair value through statement of income US\$ '000</i>
<b>Financial assets:</b>			
Non-trading investments	-	9,520	13,055
Other assets (excluding prepayments)	8,229	-	-
	<u>8,229</u>	<u>9,520</u>	<u>13,055</u>
<b>Financial liabilities:</b>			
Term financing	13,341	-	-
Other liabilities	6,180	-	-
	<u>19,521</u>	<u>-</u>	<u>-</u>

**12 FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is the value representing the estimate of the amount of cash or cash equivalent that would be received for an asset sold or the amount of cash or cash equivalent paid for a liability extinguished or transferred in an orderly transaction between a willing buyer and a willing seller at the measurement date.

The fair value of a quoted security is derived from quoted market prices in active markets, if available. For unquoted securities, fair value is estimated using appropriate valuation techniques. Such techniques may include recent arm's length market transactions; discounted cash flow analysis or other valuation models.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

**Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities;

**Level 2:** other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

**Level 3:** techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	<i>30 June 2016 (Reviewed)</i>			
	<i>Level 1 US\$ '000</i>	<i>Level 2 US\$ '000</i>	<i>Level 3 US\$ '000</i>	<i>Total US\$ '000</i>
Non-trading investments	1,319	-	13,055	14,374
	<u>1,319</u>	<u>-</u>	<u>13,055</u>	<u>14,374</u>
	<i>31 December 2015 (Audited)</i>			
	<i>Level 1 US\$ '000</i>	<i>Level 2 US\$ '000</i>	<i>Level 3 US\$ '000</i>	<i>Total US\$ '000</i>
Non-trading investments	1,336	-	20,834	22,170
	<u>1,336</u>	<u>-</u>	<u>20,834</u>	<u>22,170</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2016 (Reviewed)

12 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

**Movements in level 3 financial instruments measured at fair value**

The following table shows a reconciliation of the opening and closing amount of level 3 financial assets which are recorded at fair value:

	<i>(Reviewed)</i>	<i>(Audited)</i>
	<b>30 June</b>	<b>31 December</b>
	<b>2016</b>	<b>2015</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>
Balance as at 1 January	20,834	-
Acquisitions	841	19,031
Disposals / placements	(7,844)	-
Fair value changes in investments	(776)	1,803
Balance as at 30 June 2016 / 31 December 2015	<u>13,055</u>	<u>20,834</u>

An investment with a carrying value of US\$ 8,201 thousand (31 December 2015: US\$ 8,359 thousand) is carried at cost less impairment.

The fair values of financial instruments carried at amortised cost are not materially different from their carrying values as at the statement of financial position date.

**Transfers between Level 1, Level 2 and Level 3**

During the six month period ended 30 June 2016 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurement.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2016 (Reviewed)

## 13 SEGMENTAL INFORMATION

## a) Geographic sector

The geographical distribution of the Group's assets and liabilities as of 30 June 2016 is as follows:

(Reviewed)	<i>Bahrain</i> US\$'000	<i>Europe</i> US\$'000	<i>Others</i> US\$'000	<i>Total</i> US\$'000
<b>Assets</b>				
Cash and balances with banks	539	915	3,103	4,557
Due from banks and financial institutions	42,572	-	-	42,572
Non-trading investments	-	-	22,575	22,575
Investment in ijarah assets	-	72,311	-	72,311
Investment in real estate	10,476	-	-	10,476
Other assets	1,272	5,786	1,425	8,483
Property and equipment	5,483	-	-	5,483
<b>Total assets</b>	<b>60,342</b>	<b>79,012</b>	<b>27,103</b>	<b>166,457</b>
<b>Liabilities</b>				
Term financing	-	13,341	-	13,341
Other liabilities	5,363	-	817	6,180
<b>Total liabilities</b>	<b>5,363</b>	<b>13,341</b>	<b>817</b>	<b>19,521</b>

The geographical distribution of the Group's assets and liabilities as of 31 December 2015 is as follows:

(Audited)	<i>Bahrain</i> US\$'000	<i>Europe</i> US\$'000	<i>Others</i> US\$'000	<i>Total</i> US\$'000
<b>Assets</b>				
Cash and balances with banks	519	1,827	50	2,396
Due from banks and financial institutions	40,700	-	-	40,700
Financing contracts	-	-	-	-
Non-trading investments	-	-	30,529	30,529
Investment in ijarah assets	-	74,100	-	74,100
Investment in real estate	10,476	-	-	10,476
Other assets	581	2,386	2,304	5,271
Property and equipment	5,578	-	-	5,578
<b>Total assets</b>	<b>57,854</b>	<b>78,313</b>	<b>32,883</b>	<b>169,050</b>
<b>Liabilities</b>				
Term financing	-	14,496	-	14,496
Other liabilities	2,560	900	3,492	6,952
<b>Total liabilities</b>	<b>2,560</b>	<b>15,396</b>	<b>3,492</b>	<b>21,448</b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2016 (Reviewed)

## 13 SEGMENTAL INFORMATION (continued)

## b) Industry sector

The industrial distribution of the Group's assets and liabilities as of 30 June 2016 is as follows:

(Reviewed)	<i>Banking and financial institutions</i> US\$'000	<i>Aviation</i> US\$'000	<i>Real estate</i> US\$'000	<i>Manufacturing</i> US\$'000	<i>Others</i> US\$'000	<i>Total</i> US\$'000
<b>Assets</b>						
Cash and balances with banks	4,557	-	-	-	-	4,557
Due from banks and financial institutions	42,572	-	-	-	-	42,572
Non-trading investments	-	-	21,256	1,319	-	22,575
Investment in ijarah assets	-	72,311	-	-	-	72,311
Investment in real estate	-	-	10,476	-	-	10,476
Other assets	-	6,159	1,425	-	899	8,483
Property and equipment	-	-	-	-	5,483	5,483
<b>Total assets</b>	<b>47,129</b>	<b>78,470</b>	<b>33,157</b>	<b>1,319</b>	<b>6,382</b>	<b>166,457</b>
<b>Liabilities</b>						
Term financing	13,341	-	-	-	-	13,341
Other liabilities	-	-	-	-	6,180	6,180
<b>Total liabilities</b>	<b>13,341</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,180</b>	<b>19,521</b>

The industrial distribution of the Group's assets and liabilities as of 31 December 2015 is as follows:

(Audited)	<i>Banking and financial institutions</i> US\$'000	<i>Aviation</i> US\$'000	<i>Real estate</i> US\$'000	<i>Manufacturing</i> US\$'000	<i>Others</i> US\$'000	<i>Total</i> US\$'000
<b>Assets</b>						
Cash and balances with banks	2,396	-	-	-	-	2,396
Due from banks and financial institutions	40,700	-	-	-	-	40,700
Non-trading investments	-	-	29,193	1,336	-	30,529
Investment in ijarah assets	-	74,100	-	-	-	74,100
Investment in real estate	-	-	10,476	-	-	10,476
Other assets	-	3,867	309	-	1,095	5,271
Property and equipment	-	-	-	-	5,578	5,578
<b>Total assets</b>	<b>43,096</b>	<b>77,967</b>	<b>39,978</b>	<b>1,336</b>	<b>6,673</b>	<b>169,050</b>
<b>Liabilities</b>						
Term financing	-	14,496	-	-	-	14,496
Other liabilities	-	1,685	-	-	5,267	6,952
<b>Total liabilities</b>	<b>-</b>	<b>16,181</b>	<b>-</b>	<b>-</b>	<b>5,267</b>	<b>21,448</b>

The Group's revenue and expenses are reviewed at a Group level and therefore no separate operating segment results and other disclosures are provided in these interim condensed consolidated financial statements.