

FIRST ENERGY BANK BSC (c)
30 JUNE 2015
CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION

Commercial registration	:	69089 (registered with Central Bank of Bahrain as a wholesale Islamic bank)
Registered Office	:	Bahrain Financial Harbour, West Tower, 20 th Floor P.O. Box 209, Manama, Kingdom of Bahrain Telephone +973 17170000
Directors	:	H. E. Khadem Abdulla Al Qubaisi, <i>Chairman</i> H. E. Abdulla Saif Al Nuaimi, <i>Vice-Chairman</i> Dr. Faisel Ahmed Gergab Abdulla Abdulkarim Showaiter Adel A. Aziz Al Jabr
Chief Executive Officer	:	Mohamed Shukri Ghanem
Auditors	:	KPMG Fakhro, Bahrain

First Energy Bank BSC (c)

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months period ended 30 June 2015

CONTENTS	Page
Independent auditors' report on review of condensed consolidated interim financial information	1
Condensed consolidated Interim financial information	
Condensed consolidated statement of financial position	2
Condensed consolidated income statement	3
Condensed consolidated statement of changes in equity	4 - 5
Condensed consolidated statement of cash flows	6
Condensed consolidated statement of changes in sources and uses of zakah and charity fund	7
Notes to the condensed consolidated Interim financial information	8 - 18



**KPMG Fakhro
Audit**
12th Floor
Fakhro Tower
PO Box 710, Manama
Kingdom of Bahrain

CR No. 6220
Tel +973 17 224807
Fax +973 17 227443
Internet www.kpmg.com.bh

1

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

To
The Board of Directors
First Energy Bank BSC (c)
Manama, Kingdom of Bahrain

16 July 2015

Introduction

We have reviewed the accompanying 30 June 2015 condensed consolidated interim financial information of First Energy Bank BSC (c) (the "Bank") and its subsidiaries (together the "Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 June 2015;
- the condensed consolidated income statement for the three-month and six-month periods ended 30 June 2015;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2015;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2015;
- the condensed consolidated statement of changes in sources and uses of zakah and charity fund for the six-month period ended 30 June 2015; and
- notes to the condensed consolidated financial information.

The Board of Directors of the Bank is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions. Our responsibility is to express a conclusion on this condensed consolidated interim 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 condensed consolidated 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 Auditing Standards for Islamic Financial Institutions 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 30 June 2015 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2015

USD 000's

	Note	30 June 2015 (reviewed)	31 December 2014 (audited)
ASSETS			
Cash and bank balances		20,520	19,026
Placements with financial institutions	7	107,044	112,868
Murabaha financing		34,481	32,863
Ijarah assets	8	484,681	502,725
Investment securities	9	529,670	532,205
Equity accounted investees	10	94,016	117,187
Other assets	11	39,069	32,547
Property and equipment		10,389	10,188
Total assets		1,319,870	1,359,609
Liabilities and equity			
LIABILITIES			
Placements from financial institutions		105,201	104,081
Financing for Ijarah assets	12	103,316	105,812
Other liabilities		28,498	31,093
Total liabilities		237,015	240,986
EQUITY			
Share capital		1,000,000	1,000,000
Statutory reserve		9,736	9,736
Investment fair value reserve		-	(41,621)
Foreign exchange translation reserve		(4,832)	(3,655)
Retained earnings		(48,147)	25,418
Total equity attributable to shareholders of the parent		956,757	989,878
Non-controlling interests		126,098	128,745
TOTAL EQUITY		1,082,855	1,118,623
Total liabilities and equity		1,319,870	1,359,609

The Board of Directors approved the condensed consolidated interim financial information consisting of pages 2 to 18 on 16 July 2015.


H.E. Khadem Al Qubaisi
Chairman


Abdulla Abdulkarim Showaiter
Board Member


Mohamed Ghanem
Chief Executive Officer


CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2015

USD 000's

	Note	Six months ended		Three months ended	
		30 June 2015 (reviewed)	30 June 2014 (reviewed)	30 June 2015 (reviewed)	30 June 2014 (reviewed)
INCOME					
<i>Ijarah assets</i>					
Rental income from Ijarah assets		5,142	36,690	2,572	16,046
Other income	13	49,750	-	-	-
Financing cost		(1,945)	(2,026)	(927)	(944)
Depreciation on Ijarah assets		(6,345)	(7,701)	(3,114)	(3,433)
Other operating expenses relating to Ijarah assets	14	(46,951)	(29,844)	(3,826)	(5,163)
Net income from Ijarah assets		(349)	(2,881)	(5,295)	6,506
Income from investment securities	15	8,660	71,054	2,823	3,431
Income from financing and placements with financial institutions		1,493	1,735	779	873
Share of results of equity accounted investees		(1,994)	1,738	(285)	1,591
Total income		7,810	71,646	(1,978)	12,401
EXPENSES					
Staff costs		6,234	5,861	2,883	2,799
Financing cost on placements from financial institutions		201	187	94	83
Depreciation and amortization		333	133	171	67
Other operating expenses		2,374	2,373	1,952	1,225
Total expenses		9,142	8,554	5,100	4,174
(Loss) / profit for the period before impairment allowance		(1,332)	63,092	(7,078)	8,227
Impairment allowance	16	(64,360)	(23,000)	(64,360)	-
(LOSS) / PROFIT FOR THE PERIOD		(65,692)	40,092	(71,438)	8,227

Attributable to:


Shareholders of the parent	(63,065)	45,271	(68,059)	6,762
Non-controlling interests	(2,627)	(5,179)	(3,379)	1,465
	(65,692)	40,092	(71,438)	8,227



H.E. Khadem Al Qubaisi
Chairman



Abdulla Abdulkarim Showaiter
Board Member



Mohamed Ghanem
Chief Executive Officer

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

USD 000's

	Equity attributable to shareholders of the parent					Non-Controlling Interests	Total equity	
	Share Capital	Statutory reserve	Investments fair value reserve	Foreign exchange translation reserve	Retained earnings			Total
30 June 2015 (reviewed)								
Balance at 1 January 2015	1,000,000	9,736	(41,621)	(3,655)	25,418	989,878	128,745	1,118,623
Changes in fair value of investments at fair value through equity	-	-	(2,739)	-	-	(2,739)	-	(2,739)
Transfer to income statement on account of impairment of investments	-	-	44,360	-	-	44,360	-	44,360
Effects of exchange rate difference on equity accounted investees	-	-	-	(1,177)	-	(1,177)	-	(1,177)
Loss for the period	-	-	-	-	(63,065)	(63,065)	(2,627)	(65,692)
Total recognized income and expense for the period	-	-	41,621	(1,177)	(63,065)	(22,621)	(2,627)	(25,248)
Transfer to zakah and charity fund	-	-	-	-	(500)	(500)	-	(500)
Dividend declared	-	-	-	-	(10,000)	(10,000)	-	(10,000)
Dividends of subsidiary	-	-	-	-	-	-	(20)	(20)
Balance at 30 June 2015	1,000,000	9,736	-	(4,832)	(48,147)	956,757	126,098	1,082,855

The condensed consolidated interim financial information consists of pages 2 to 18.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

USD 000's

	Equity attributable to shareholders of the parent					Non-Controlling Interests	Total equity	
	Share Capital	Statutory reserve	Investments fair value reserve	Foreign exchange translation reserve	Retained earnings			Total
30 June 2014 (reviewed)								
Balance at 1 January 2014	1,000,000	7,991	11,464	(1,968)	36,074	1,053,561	132,776	1,186,337
Transfer to income statement on disposal of investments	-	-	(11,464)	-	-	(11,464)	-	(11,464)
Fair value changes on equity investments	-	-	(9,864)	-	-	(9,864)	-	(9,864)
Effects of exchange rate difference on equity accounted investees	-	-	-	(130)	-	(130)	-	(130)
Profit for the period	-	-	-	-	45,271	45,271	(5,179)	40,092
Total recognized income and expense for the period	-	-	(21,328)	(130)	45,271	45,141	(5,179)	40,092
Transfer to zakah and charity fund	-	-	-	-	(1,384)	(1,384)	-	(1,384)
Dividend declared	-	-	-	-	(25,000)	(25,000)	-	(25,000)
Dividends of subsidiary	-	-	-	-	-	-	(21)	(21)
Balance at 30 June 2014	1,000,000	7,991	(9,864)	(2,098)	54,961	1,050,990	127,576	1,178,566

The condensed consolidated interim financial information consists of pages 2 to 18.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2015

USD 000's

	Note	Six months ended 30 June 2015 (reviewed)	Six months ended 30 June 2014 (reviewed)
OPERATING ACTIVITIES			
Net (loss) / profit for the period		(65,692)	40,092
Adjustments for:			
Depreciation on Ijarah assets	8	6,345	7,701
Depreciation and amortization		338	133
Amortization of premium		1,080	867
Impairment allowance		64,360	-
Share of results of equity accounted investees		1,994	(1,738)
Gain on disposal of investment securities		(1,221)	(63,888)
Operating profit / (loss) before changes in operating assets and liabilities		7,204	(16,833)
Net changes in operating assets and liabilities:			
Murabaha financing		(1,389)	(35,666)
Other assets		(6,540)	18,840
Placements from financial institutions		1,120	4,941
Other liabilities		(5,020)	21,870
Payment to charities		(478)	(393)
Net cash used in operating activities		(5,103)	(7,241)
INVESTING ACTIVITIES			
Purchase of investment securities		(98,509)	(143,090)
Proceeds from disposal / maturity of investment securities		109,916	192,863
Purchase of property and equipment		(483)	(428)
Purchase of software		(38)	-
Net cash generated from investing activities		10,886	49,345
FINANCING ACTIVITIES			
Dividend paid to non-controlling interest		(20)	(21)
Dividends paid to shareholders		(7,597)	(25,355)
Repayment of financing for Ijarah assets		(2,496)	(4,818)
Net cash used in financing activities		(10,113)	(30,194)
Net (decrease) / increase in cash and cash equivalents		(4,330)	11,910
Cash and cash equivalents at beginning of the period		131,894	185,174
Cash and cash equivalents at end of the period		127,564	197,084
Cash and bank balances		20,520	33,649
Placements with financial institutions with original maturity of 90 days or less		107,044	163,435
		127,564	197,084

The condensed consolidated interim financial information consists of pages 2 to 18.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SOURCES AND USES OF ZAKAH AND CHARITY FUND

For the six months ended 30 June 2015

USD 000's

	Six months ended 30 June 2015 (reviewed)	Six months ended 30 June 2014 (reviewed)
Sources of zakah and charity funds		
Undistributed charity and zakah funds at the beginning of the period	209	11
Contributions by the Bank	500	1,384
Total sources of zakah and charity funds during the period	709	1,395
Uses of zakah and charity fund		
Contributions for charitable purposes	(478)	(393)
Total uses of funds during the period	(478)	(393)
Undistributed zakah and charity fund at end of the period	231	1,002

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the six months ended 30 June 2015

1 REPORTING ENTITY

First Energy Bank BSC (c) (the "Bank") is a closed shareholding company incorporated in the Kingdom of Bahrain on 23 June 2008, under Commercial Registration No. 69089. The Bank operates under an Islamic wholesale banking license issued by the Central Bank of Bahrain (the "CBB"). The Bank's registered office is at Building 1398, Road 4626, Block 346, Manama, Kingdom of Bahrain.

The principal activities of the Bank and its subsidiaries (the "Group") include Shari'a compliant investment advisory services, participation in project development, joint ventures, mergers and acquisitions and the purchase of assets and asset portfolios primarily related to the energy sector. The Bank is regulated by the CBB and supervised by a Shari'a Supervisory Board for compliance with Shari'a rules and principles.

2 BASIS OF PREPARATION AND PRESENTATION

The condensed consolidated interim financial information has been prepared in accordance with Financial Accounting Standards ('FAS') issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI). In line with the requirement of AAOIFI and the CBB Rule Book, for matters that are not covered by AAOIFI standards, the Group uses guidance from the relevant International Financial Reporting Standards (IFRS). Accordingly, the condensed consolidated interim financial information has been presented in condensed form in accordance with the guidance provided by International Accounting Standard 34 - 'Interim Financial Reporting'.

The condensed consolidated interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Bank for the year ended 31 December 2014. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Bank's financial position and performance since the latest annual audited financial statements for the year ended 31 December 2014.

The condensed consolidated interim financial information is reviewed, not audited. The comparatives for the condensed consolidated statement of financial position have been extracted from the audited consolidated financial statements of the Group for the year ended 31 December 2014 and comparatives for the condensed consolidated statements of income, changes in equity, cash flows and changes in sources and uses of zakah and charity fund have been extracted from the reviewed condensed consolidated interim financial information of the Group for the six months ended 30 June 2014.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation applied by the Group in the preparation of the condensed consolidated interim financial information are the same as those used in the preparation of the audited consolidated financial statements for the year ended 31 December 2014, except as stated below:

New amendments issued during the period and effective for annual reporting period ending or on after 31 December 2015*FAS 23 - Consolidation*

During the period, AAOIFI issued amendment to FAS 23 - Consolidation. The amendment provides additional guidance on the way an Islamic Financial Institution should determine when an entity should be consolidated.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the six months ended 30 June 2015

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

The amendment that has been introduced by AAOIFI provides that, in addition to the existing stipulations in the standard, control may also exist through rights arising from other contractual arrangement, voting rights of the Islamic financial institutions that give de facto power over an entity, potential voting rights, or a combination of these factors.

The amendment is effective for annual reporting period ending on or after 31 December 2015. The amendment did not have an impact on the Group's consolidated financial statements.

3.1 Basis of consolidation

The condensed consolidated interim financial information includes the financial information of the Bank and its subsidiaries after elimination of inter group transactions and balances.

The following are the Group's significant subsidiaries as at 30 June 2015:

<i>Name of subsidiary</i>	<i>Equity interest</i>	<i>Nature of business</i>
North Africa Investment Company, Kingdom of Bahrain	100%	To hold the Group's 40% associate stake in Arab Drilling and Workover Company, Libya.
First Energy-Oman, Cayman Islands	100%	To hold 15% stake in Al Izz Islamic bank in Oman.
FEB-Novus Aircraft Holding Company, Bahamas	98.5%	To purchase and lease one A330-300 aircraft to Malaysian Airlines System.
MENAdrill Investment Company, Cayman Islands	59.44%	Development and lease of jack up oil rigs
Al Dur Energy Investment Company, Cayman Islands	59%	To hold 15% indirect interest in a power and water plant project in the Kingdom of Bahrain.

4 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the Group's audited consolidated financial statements as at and for the year ended 31 December 2014.

5 JUDGMENT AND ESTIMATES

Preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were same as applied to the audited consolidated financial statements as at and for the year ended 31 December 2014.

6 SEASONALITY

Due to nature of the Bank's business, the six months' results reported in this condensed consolidated interim financial information may not represent a proportionate share of the overall annual results.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the six months ended 30 June 2015

7 PLACEMENTS WITH FINANCIAL INSTITUTIONS

	30 June 2015 (reviewed)	31 December 2014 (audited)
Commodity murabaha contracts	82,729	68,969
Wakala contracts	24,319	43,903
Gross murabaha and wakala contracts	107,048	112,872
Less: Deferred profits	(4)	(4)
	107,044	112,868

The original maturity of commodity murabaha and wakala contracts are 90 days or less.

8 IJARAH ASSETS

	Aircraft*	Oil rigs**	WIP	Total
Cost:				
At 1 January 2015	100,000	441,752	-	541,752
Additions	-	-	39,301	39,301
Derecognised ***	-	(51,000)	-	(51,000)
At 30 June 2015	100,000	390,752	39,301	530,053
Depreciation:				
At 1 January 2015	10,500	28,527	-	39,027
Charge for the period	1,800	4,545	-	6,345
At 30 June 2015	12,300	33,072	-	45,372
Net book value: As at 30 June 2015 (reviewed)	87,700	357,680	39,301	484,681
As at 31 December 2014 (audited)	89,500	413,225	-	502,725

* The Aircraft is mortgaged against term financing (note 12).

** One oil rig with a carrying value of USD 146,380 thousand (2014: USD 198,872 thousand) is mortgaged against murabaha financing (note 12).

*** During the period, the management derecognized USD 51,000 thousand relating to the components of the rigs which were damaged (note 14).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the six months ended 30 June 2015

9 INVESTMENT SECURITIES

	30 June 2015 (reviewed)	31 December 2014 (audited)
Equity type instruments - at fair value through equity		
- Quoted equity securities (at fair value)	98,241	100,980
- Unquoted equity securities (at cost less impairment)	15,995	15,995
	114,236	116,975
Debt type instruments - At amortised cost		
- Quoted Sukuk	318,159	317,955
- Subordinated financing	99,542	99,542
Collective impairment allowance	(2,267)	(2,267)
	415,434	415,230
	529,670	532,205

Unquoted equity securities are net of impairment allowance of USD 25,000 thousand (31 December 2014: USD 25,000 thousand). During the period the Bank has recognised an impairment allowance of USD 44,360 thousand (30 June 2014: Nil) on quoted equity securities carried at fair value through equity.

10 EQUITY ACCOUNTED INVESTEEES

	30 June 2015 (reviewed)	31 December 2014 (audited)
Associates	83,051	104,095
Joint ventures	10,965	13,092
	94,016	117,187

Equity accounted investees comprise the following:

Name	Country of incorporation	% holding	Nature of business
Associates:			
Arab Drilling and Workover Company *	Libya	40%	Lease of oil drilling rigs
Al Izz Islamic Bank **	Oman	15.18%	Islamic Banking
Joint ventures			
Feboran AD ***	Bulgaria	59.95%	Investment vehicle

* Due to the political situation in Libya, the financial information of the associate company is not reliable, hence, the Group has stopped accounting for its share of profit or loss since 2014. During the period, the management has estimated an impairment allowance of USD 20 million (30 June 2014: Nil).

** Equity accounted for based on the management accounts, for the three month ended 31 March 2015.

*** Equity accounted for based on the management accounts for the three month ended 31 March 2015.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the six months ended 30 June 2015

11 OTHER ASSETS

	30 June 2015 (reviewed)	31 December 2014 (audited)
Insurance claim (note 13)	16,853	2,613
Receivable from investee *	11,639	11,399
Ijarah rental receivable	2,498	9,514
Deferred expenses	1,963	2,101
Prepayments and advances	4,464	4,214
Intangible assets	161	179
Others	1,491	2,527
	39,069	32,547

* Receivable from investee represents an amount advanced to Al Dur Power and Water Company, an investee of the Group, to meet liability reserve account (LRA) funding requirement under a common term agreement, whereby the shareholders are required to fund such account for the purpose of meeting the repayment of senior debt obligations of the investee.

12 FINANCING FOR IJARAH ASSETS

	30 June 2015 (reviewed)	31 December 2014 (audited)
Murabaha financing *	46,282	46,442
Term financing **	57,034	59,370
	103,316	105,812

*Murabaha financing has been obtained by Menadrill Investment Company, a 59.44% subsidiary of the Bank at a floating rate of 3 months Libor plus 3% maturing on 7 September 2015 and is secured by a mortgage over an oil rig (note 8).

**The term financing has been obtained by FEB-Novus Fin One Ltd Bahamas, a 100% subsidiary of FEB-Novus Aircraft Holding Company, Bahamas which is a 98.5% subsidiary of the Bank. Term financing is at a floating rate of 1 month Libor plus 3.45% maturing on 23 January 2024 and is secured by a mortgage over an aircraft (note 8).

13 OTHER INCOME

In 2014, one of the oil rigs suffered damage due to an explosion. The income represents insurance claim towards repairs and incidental loss.

14 OTHER OPERATING EXPENSES RELATING TO IJARAH ASSETS

	30 June 2015 (reviewed)	30 June 2014 (reviewed)
Repairs and maintenance - rigs (note 8)	44,063	24,099
Insurance - rigs	1,580	2,036
Professional and consultancy fee	549	1,756
Miscellaneous expenses	759	1,953
	46,951	29,844

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the six months ended 30 June 2015

15 Income from investment securities includes gain on sale of equity investments carried at fair value through equity of USD Nil (2014: USD 39,622 thousand) and income from purchase and sale of quoted shares during the quarter of USD Nil (2014: USD 24,266 thousand).

16 IMPAIRMENT ALLOWANCE

	30 June 2015 (reviewed)	30 June 2014 (reviewed)
Quoted equity securities	44,360	-
Unquoted equity securities	-	3,000
Equity accounted investees	20,000	-
Project work-in-progress	-	20,000
	64,360	23,000

17 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties comprise major shareholders, directors, Shari'a supervisory board, external auditors and executive management of the Group and/or entities over which they exercise control and/or significant influence. During the period, the Bank did not have any transactions with entities in which directors are interested.

The significant balances with related parties were as follows:

	Associates	Key management personnel/ Shari'a board members/ external auditors	Significant shareholders/ board members/ entities in which directors are interested	Total
30 June 2015 (reviewed)				
Assets				
Cash and bank balances	-	-	193	193
Equity accounted investees	94,016	-	-	94,016
Other assets	6	-	-	6
Liabilities				
Placements from financial institutions	-	-	32,000	32,000
Other liabilities	-	1,335	13,928	15,263

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the six months ended 30 June 2015

17 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

	Associates	Key management personnel/ Shari'a board members/ external auditors	Significant shareholders/ board members/ entities in which directors are interested	Total
31 December 2014 (audited)				
Assets				
Cash and bank balances	-	-	436	436
Equity accounted investees	117,187	-	-	117,187
Other assets	6	-	-	6
Liabilities				
Placements from financial institutions	-	-	32,000	32,000
Other liabilities	-	685	9,809	10,494

The transactions with related parties included in the consolidated statement of income were as follows:

	Associates	Key management personnel/ Shari'a board members/ external auditors	Significant shareholders/ board members/ entities in which directors are interested	Total
30 June 2015 (reviewed)				
Income				
Share of results of associates	(1,994)	-	-	(1,994)
Expenses				
Staff costs	-	1,078	-	1,078
Financing cost on placements from financial institutions	-	-	91	91
Other operating expenses	-	1,090	-	1,090
Impairment allowance	20,000	-	-	20,000

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the six months ended 30 June 2015

17 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

	Associates	Key management personnel/ Shari'a board members/ external auditors	Significant shareholders/ board members/ entities in which directors are interested	Total
30 June 2014 (reviewed)				
Income				
Share of results of associates	1,738	-	-	1,738
Expenses				
Staff costs	-	875	-	875
Financing cost on placements from financial institutions	-	-	113	113
Other operating expenses	-	672	-	672

18 COMMITMENTS

	30 June 2015 (reviewed)	31 December 2014 (audited)
Operating lease commitments	1,330	1,565
Forward treasury commitments	-	6,684
	1,330	8,249

19 SEGMENT INFORMATION

The activities of the Group are performed on an integrated basis. Therefore, any segmentation of operating income, expenses, assets and liabilities is not relevant. As such, operating income, expenses, assets and liabilities are not segmented.

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

Segment	30 June 2015 (reviewed)		31 December 2014 (audited)	
	Assets	Liabilities	Assets	Liabilities
Banks and financial institutions	451,992	220,043	467,925	219,702
Energy power and infrastructure	597,945	5,504	631,416	13,285
Others	269,933	11,468	260,268	7,999
	1,319,870	237,015	1,359,609	240,986

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the six months ended 30 June 2015

19 SEGMENT INFORMATION (continued)

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

Segment	30 June 2015 (reviewed)		31 December 2014 (audited)	
	Assets	Liabilities	Assets	Liabilities
MENA	676,105	173,846	711,925	178,698
Europe	104,966	57,035	124,429	59,370
America	414,218	5,497	416,745	2,277
Asia	124,581	637	106,510	641
	1,319,870	237,015	1,359,609	240,986

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 condensed consolidated financial information.

20 DIVIDEND DECLARED

At the Annual General Meeting held on 31 March 2015, the shareholders of the Group resolved to distribute USD 10,000 thousand as cash dividends.

21 FINANCIAL INSTRUMENTS

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

30 June 2015 (reviewed)	Carrying amount	Fair value
Financial assets:		
Cash and bank balances	20,520	20,520
Placements with financial institutions	107,044	107,044
Murabaha financing	34,481	34,481
Ijarah assets	484,681	484,681
Investment securities ¹	98,241	98,241
Other assets ²	31,981	31,981
Total	776,948	776,948
Financial liabilities:		
Placements from financial institutions	105,201	105,201
Financing for Ijarah assets	103,316	103,316
Other liabilities ³	26,869	26,869
Total	235,386	235,386

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the six months ended 30 June 2015

21 FINANCIAL INSTRUMENTS (continued)

31 December 2014 (audited)	Carrying amount	Fair value
Financial assets:		
Cash and bank balances	19,026	19,026
Placements with financial institutions	112,868	112,868
Murabaha financing	32,863	32,863
Ijarah assets	502,725	502,725
Investment securities ¹	100,980	100,980
Other assets ²	25,553	25,553
Total	794,015	794,015
Financial liabilities:		
Placements from financial institutions	104,081	104,081
Financing for Ijarah assets	105,812	105,812
Other liabilities ³	29,466	29,466
Total	239,359	239,359

¹ Equity type instruments carried at cost less impairment of USD 15,995 thousand (31 December 2014: USD 15,995 thousand) are excluded due to absence of reliable measure of fair value and debt type instruments at amortised cost of USD 415,434 (31 December 2014: USD 415,230).

² Other assets are excluding deferred expenses, advances paid and intangible assets-software.

³ Other liabilities are excluding deferred income.

The fair values of other financial instruments on the reporting date are not significantly different from their carrying values.

Fair value hierarchy

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable and willing parties in an arm's length transaction.

Fair value of quoted securities is derived from quoted market prices in active markets, if available (Level 1).

Under unquoted investments which are held at fair value through equity are investments amounting to USD 15,995 thousand (31 December 2014: USD 15,995 thousand) which are held at cost less provision for impairment in the absence of a reliable measure of fair value.

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the six months ended 30 June 2015

21 FINANCIAL INSTRUMENTS (continued)

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:

30 June 2015 (reviewed)	Level 1	Level 2	Level 3	Total
Fair value through equity:				
Quoted equity shares	98,241	-	-	98,241
31 December 2014 (audited)	Level 1	Level 2	Level 3	Total
Fair value through equity:				
Quoted equity shares	100,980	-	-	100,980