

IBDAR BANK B.S.C. (c)
CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION

31 March 2017

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the three months ended 31 March 2017

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Independent auditors' report on review of condensed consolidated interim financial information

To
The Board of Directors
Ibdar Bank BSC (c)
Manama
Kingdom of Bahrain

30 April 2017

Introduction

We have reviewed the accompanying 31 March 2017 condensed consolidated interim financial information of Ibdar Bank BSC (c) (the "Bank") and its subsidiaries (together the "Group"), which comprises:

- the condensed consolidated statement of financial position as at 31 March 2017;
- the condensed consolidated income statement for the three-month period ended 31 March 2017;
- the condensed consolidated statement of changes in owners' equity for the three-month period ended 31 March 2017;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 2017; and
- notes to the condensed consolidated interim 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 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 the 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 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 31 March 2017 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 31 March 2017

US\$ 000's

	note	31 March 2017 (reviewed)	31 December 2016 (audited)
ASSETS			
Cash and balances with banks		11,208	5,151
Placements with financial institutions		3,013	7,902
Financing receivables		6,792	6,915
Receivable from Ijarah investors		7,635	15,185
Investment securities	6	163,004	158,561
Assets acquired-for-leasing	7	67,430	68,602
Investment in real estate	8	98,332	107,264
Equity-accounted investees		4,752	4,742
Other assets	9	16,698	13,603
Total assets		378,864	387,925
LIABILITIES			
Placements from financial institutions		3,001	6,503
Financing liabilities	10	67,933	73,273
Liabilities related to assets acquired-for-leasing	7	51,501	52,181
Other liabilities	11	14,115	13,963
Total liabilities		136,550	145,920
OWNERS' EQUITY			
Share capital		300,000	300,000
Statutory reserve		676	676
Accumulated losses		(65,499)	(66,634)
Property fair value reserve		610	610
General reserve		4,618	4,618
Equity attributable to shareholders of Bank		240,405	239,270
Non-controlling interests		1,909	2,735
Total owners' equity		242,314	242,005
Total liabilities and owner's equity		378,864	387,925

The Board of Directors approved the condensed consolidated interim financial information consisting of pages 2 to 15 on 30 April 2017.



Tareq Sadeq
Chairman



Abdulkarim Bueheery
Vice chairman



Ayman Sejjny
Chief Executive Officer

The accompanying notes 1 to 17 form an integral part of these condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INCOME STATEMENT
for the three months ended 31 March 2017

US\$ 000's

	note	Three months ended	
		31 March 2017 (reviewed)	31 March 2016 (reviewed)
INCOME			
Income from investment banking services		441	-
Income from investment securities	12	1,178	1,650
Income from assets acquired-for-leasing, net	7	776	2,011
Finance income		173	286
Share of profit of equity-accounted investees		36	88
Gain on sale of investment in real estate		623	-
Other income		588	1,704
Total income		3,815	5,739
EXPENSES			
Staff cost		1,500	1,027
Finance expense on placements and financing liabilities		187	289
Depreciation and amortization		22	52
Other operating expenses		1,116	906
Total operating expenses		2,825	2,274
Profit for the period before fair value changes and impairment allowances		990	3,465
Fair value gain on investment securities, net		92	48
Reversal of impairment allowances for the period		81	38
PROFIT FOR THE PERIOD		1,163	3,551
Attributable to:			
Shareholders of Bank		1,135	3,010
Non-controlling interests		28	541
		1,163	3,551



Tareq Sadeq
Chairman



Abdulkarim Bucheery
Vice chairman



Ayman Bejiny
Chief Executive Officer

The condensed consolidated interim financial information consists of pages 2 to 15.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
for the three months ended 31 March 2017

US\$ 000's

	Equity attributable to shareholders of Bank						Non-controlling interests	Total owners' equity
	Share capital	Statutory reserve	Accumulated losses	Investment fair value reserve	Property fair value reserve	General reserve		
31 March 2017 (reviewed)								
Balance at 1 January 2017	300,000	676	(66,634)	-	610	4,618	239,270	242,005
Profit for the period	-	-	1,135	-	-	-	1,135	1,163
Total recognised income and expense for the period	-	-	1,135	-	-	-	1,135	1,163
Non-controlling interests relating to subsidiaries	-	-	-	-	-	-	-	(854)
Balance at 31 March 2017	300,000	676	(65,499)	-	610	4,618	240,405	242,314

	Equity attributable to shareholders of Bank						Non-controlling interests	Total owners' equity
	Share capital	Statutory reserve	Accumulated losses	Investment fair value reserve	Property fair value reserve	General reserve		
31 March 2016 (reviewed)								
Balance as at 1 January 2016	300,000	676	(17,249)	(107)	1,826	4,618	289,764	303,580
Profit for the period	-	-	3,010	-	-	-	3,010	3,551
Total recognised income and expense for the period	-	-	3,010	-	-	-	3,010	3,551
Non-controlling interests relating to subsidiaries	-	-	-	-	-	-	-	-
Balance at 31 March 2016	300,000	676	(14,239)	(107)	1,826	4,618	292,774	307,131

The condensed consolidated interim financial information consists of pages 2 to 15.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the three months ended 31 March 2017

US\$ 000's

	Three months ended	
	31 March 2017 (reviewed)	31 March 2016 (reviewed)
OPERATING ACTIVITIES		
Profit for the period	1,163	3,551
Adjustment for:		
Depreciation and amortization	22	52
Fair value loss on investment securities	(92)	(48)
Gain on sale of investment securities	(509)	168
Gain on sale of investment in real estate	(975)	-
Other income	-	(692)
Impairment allowance	(81)	(38)
Share of profit of equity-accounted investees	(10)	(88)
Excess legal provision written back	-	(1,598)
Net amortisation of premium / (discount) on sukuk	20	32
	(462)	1,339
Changes in operating assets and liabilities:		
Financing receivables	203	72
Receivables from ijara investors	7,550	-
Other assets	(3,115)	(2,225)
Other liabilities	152	(2,668)
Net cash generated from / (used in) operating activities	4,328	(3,482)
INVESTING ACTIVITIES		
Purchase of investment securities	(53,174)	(38,049)
Bank balances (not available for operations)	(5,900)	-
Proceeds from sale of investment securities	49,313	39,932
Purchase of investment in real estate	(1,584)	-
Proceeds from sale of investment in real estate	11,491	-
Distribution received from associates	-	2,503
Assets acquired for leasing	492	(508)
Net cash generated from investing activities	638	3,878
FINANCING ACTIVITIES		
Placements from financial institutions	(3,477)	13
Net payment of financing liabilities	(5,365)	(128)
Non-controlling interests	(855)	-
Net cash used in financing activities	(9,697)	(115)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(4,731)	281
Cash and cash equivalents at 1 January	13,052	15,221
CASH AND CASH EQUIVALENTS AT 31 March	8,321	15,502
CASH AND CASH EQUIVALENTS comprise:		
Cash and bank balances	5,308	15,502
Placements with financial institutions (with original maturity of 90 days or less)	3,013	-
	8,321	15,502

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the three months ended 31 March 2017**

US\$ 000's

1 REPORTING ENTITY

Ibdar Bank B.S.C. (c) (the "Bank"), is a closed joint stock company incorporated in the Kingdom of Bahrain on 12 June 2007 under commercial registration (CR) number 65549. The Bank operates as an Islamic Wholesale Investment Bank under a license issued by the Central Bank of Bahrain (CBB). The Bank's registered office is Zamil Tower, 6th Floor, Al Khalifa Avenue, Block 305, Manama, Kingdom of Bahrain.

The principal activities of the Bank include investment advisory services and investment transactions, which comply with Islamic rules and principles according to the opinion of the Bank's Shari'a Supervisory Board. The Bank's activities are regulated by the CBB and supervised by a Shari'a Supervisory Board.

The condensed consolidated interim financial information for the three months ended 31 March 2017 comprise the financial information of the Bank and its subsidiaries (together referred as the "Group").

2 BASIS OF PREPARATION

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 FAS, the Group uses guidance from the relevant International Financial Reporting Standards. 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 consolidated financial statements and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2016. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2016.

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 2016. There are no new standards or amendments issued and effective from 1 January 2017 that had an impact on the condensed consolidated interim financial information of the Group.

Judgements and estimates

The 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.

In preparing these condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainties were the same as those applied to the audited consolidated financial statements for the year ended 31 December 2016.

Financial risk management

The Group's financial risk management objectives and policies are consistent with that disclosed in the audited consolidated financial statements for the year ended 31 December 2016.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the three months ended 31 March 2017

US\$ 000's

3 The condensed consolidated interim financial information is reviewed, not audited. The comparatives for the condensed consolidated statement of financial position has been extracted from the Group's audited consolidated financial statements for the year ended 31 December 2016 and comparatives for the condensed consolidated statements of income, changes in owners' equity and cash flows have been extracted from the Group's condensed consolidated interim financial information for the three months ended 31 March 2016.

4 SEASONALITY

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

5 Appropriations of profit, if any, are made only after the year end and approval by the shareholders in the annual general meeting.

6 INVESTMENT SECURITIES

	31 March 2017 (reviewed)	31 December 2016 (audited)
Debt type instruments		
<i>At amortised cost</i>		
- Quoted sukuk	52,864	47,896
<i>At fair value through income statement</i>		
- Quoted sukuk (held for trading)	5,773	11,269
	58,637	59,165
Equity type instruments		
<i>At fair value through income statement:</i>		
- Unquoted equity securities	10,150	10,150
- Quoted Sukuk - non-trading	7,968	8,741
- Quoted Sukuk (held for trading)	2,626	2,975
- Unquoted fund	10,173	10,091
	30,917	31,957
<i>At fair value through equity:</i>		
- Quoted equity securities (at fair value)	6,597	6,597
- Unquoted equity securities (at cost)	66,853	60,842
	73,450	67,439
	163,004	158,561

Unquoted equity securities of US\$ 66,853 thousand (31 December 2016: US\$ 60,842 thousand) are carried at cost less impairment in the absence of reliable measure of fair value. During the period, the Group did not recognise any impairment allowance against such investments (31 December 2016: US\$ 26,851 thousand).

Quoted sukuk (debt type instrument) with a carrying value of US\$ 30,359 thousand (31 December 2016: US\$ 23,265 thousand) are offered as collateral for the financing facilities relating to Group's operations (note 10).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the three months ended 31 March 2017

US\$ 000's

7 ASSETS ACQUIRED-FOR-LEASING

	31 March 2017 (reviewed)	31 December 2016 (audited)
Aircraft:		
Cost		
At beginning of the period	72,750	192,246
Adjustments	(485)	-
Disposals	-	(119,496)
At end of the period	72,265	72,750
Accumulated depreciation		
At beginning of the period	4,148	7,215
Charge for period / year	687	5,683
Depreciation on disposal	-	(8,750)
At end of the period	4,835	4,148
Net book value at end of the period	67,430	68,602

Assets acquired for leasing represents 3 Q400 aircraft acquired in 2015 (2016: 3 Aircraft). The aircrafts were acquired through a combination of equity and financing and are leased to an aviation services company for a period of 12 years.

Income of assets acquired for leasing represents:

	Three months ended	
	31 March 2017 (reviewed)	31 March 2016 (reviewed)
Lease rental income	2,004	5,288
Less:		
Finance cost	363	1,256
Depreciation	687	1,840
Other operating expenses	178	181
Income of assets acquired for leasing, net	776	2,011

Liabilities related to assets acquired for leasing

This represents fixed rate notes availed in 2015 for financing the acquisition of each asset acquired for leasing separately. The notes are repayable in quarterly instalments over a period of 12 years with final installment payable in 2021 carrying a profit rate of 4.5% to 4.6%. The fixed rate notes are secured against the assets acquired for leasing without any recourse to the Bank.

8 INVESTMENT IN REAL ESTATE

	31 March 2017 (reviewed)	31 December 2016 (audited)
Lands	25,961	30,649
Buildings	72,371	76,615
	98,332	107,264

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the three months ended 31 March 2017

US\$ 000's

8 INVESTMENT IN REAL ESTATE (continued)

Investment in real estate are carried at fair value. The fair value is determined by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment in real estate that is being valued. No fair value gain or loss has been recognised for the three months ended 31 March 2017 and the current carrying value approximates the fair value of investment in real estate.

9 OTHER ASSETS

	31 March 2017 (reviewed)	31 December 2016 (audited)
Project related advances	4,772	7,418
Accrued profit on sukuk	768	671
Receivables related to assets acquired-for-leasing	4,662	3,689
Staff receivable	588	632
Prepaid expenses	572	624
Equipment	344	349
Receivable from sale of investment in real estate	4,775	-
Others	217	220
	16,698	13,603

10 FINANCING LIABILITIES

	31 March 2017 (reviewed)	31 December 2016 (audited)
Murabaha financing:		
- Related to Ijarah investors	7,894	15,692
- Related to Group's operations	10,825	8,301
Other borrowings	49,214	49,280
	67,933	73,273

Murabaha financing of US\$ 7.9 million (31 December 2016: US\$ 15.7 million) relating to Ijarah investors carries profit rate of 5.75% and is repayable on quarterly installments with final installment due in April 2019 and secured against investment property of carrying value US\$ 16.2 million (title held by the Bank on behalf of project investors). All costs of the facilities are borne by the Ijarah investors (using cash flows from income generated from the underlying properties).

The remaining murabaha financing related to the Group's operations comprise two short term facilities from financial institutions for a period of up to 3 months at variable rate of 1.8% -2%. The financing is secured against quoted sukuk of carrying amount US\$ 30,359 thousand as at 31 March 2017 (31 December 2016: US\$ 23,265 thousand) (note 6).

Other borrowings represents finance availed at variable rate of 2.19% plus 1 Month LIBOR for the purchase of investment in real estate having a tenor of 10 years and is secured against the investment in real estate held through special purpose vehicle without any recourse to the Bank.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the three months ended 31 March 2017

US\$ 000's

11 OTHER LIABILITIES

	31 March 2017 (reviewed)	31 December 2016 (audited)
Accounts payables and accruals	1,405	1,523
Due to Ijarah investors	2,788	341
Due to other investors	280	7,651
Subscriptions received	5,900	-
Provision for employee benefits	1,400	2,092
Others	2,342	2,356
	14,115	13,963

Subscriptions received represent amounts received by the group towards placement of an investment product pending completion of transaction closure formalities.

12 INCOME FROM INVESTMENT SECURITIES

	Three months ended	
	31 March 2017 (reviewed)	31 March 2016 (reviewed)
Sukuk profit	689	979
Gain on sale of sukuk	489	595
Dividend income	-	839
Loss on sale of equity securities	-	(763)
	1,178	1,650

13 SEGMENT INFORMATION

The Group's operates under one segment "Investment Banking", therefore no separate operating segment results and other disclosures are provided in these condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the three months ended 31 March 2017

US\$ 000's

14 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence or joint control over the other party in making financial and operating decisions. Related parties comprise major shareholders, directors, shari'a supervisory board and executive management of the Group and/or entities over which they exercise control and/or significant influence.

The related party balances and transactions included in these condensed consolidated interim financial information are as follows:

	31 March 2017 (reviewed)					31 December 2016 (audited)				
	Associates / Joint venture	Key management personnel	Significant shareholders / entities in which directors are interested	Assets under management including special purpose entities & other entities	Total	Associates / Joint venture	Key management personnel	Significant shareholders / entities in which directors are interested	Assets under management including special purpose entities & other entities	Total
Assets										
Cash and balances with banks	-	-	16	-	16	-	-	15	-	15
Financing receivables	-	-	-	7,635	7,635	-	-	-	6,746	6,746
Receivable from Ijarah investors	-	-	-	6,792	6,792	-	-	-	15,185	15,185
Investment securities	10,150	-	-	-	10,150	10,150	-	-	-	10,150
Equity-accounted investees	4,745	-	-	-	4,745	4,742	-	-	-	4,742
Other assets	15	-	-	-	15	5	-	-	-	5
Liabilities										
Due to investors	-	-	-	-	-	-	-	-	-	-
Other liabilities	81	1,127	32	251	1,492	83	1,209	12	545	1,849
Off-balance sheet Commitments	-	-	-	7,069	7,069	-	-	-	7,069	7,069

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the three months ended 31 March 2016

US\$ 000's

14 RELATED PARTY TRANSACTIONS (continued)

	31 March 2017 (reviewed)					31 March 2016 (reviewed)				
	Associates / Joint venture	Key management personnel	Significant shareholders / entities in which directors are interested	Assets under management including special purpose entities & other entities	Total	Associates / Joint venture	Key management personnel	Significant shareholders / entities in which directors are interested	Assets under management including special purpose entities & other entities	Total
Income										
Finance income	-	-	-	152	152	-	-	-	-	-
Share of profit of equity- accounted investees	36	-	-	36	36	88	-	-	-	88
Other income	-	250	-	250	250	-	-	-	231	231
Expenses										
Staff cost	-	439	-	-	439	-	536	-	-	536
Other expenses	-	229	-	-	229	-	207	-	-	207
Finance expense on placement and financing liabilities	-	-	-	106	106	-	-	-	231	231

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the three months ended 31 March 2017

US\$ 000's

15 COMMITMENTS

	31 March 2017 (reviewed)	31 December 2016 (audited)
Uncalled capital commitments in respect of investment	10,121	15,953
Operating lease commitments:		
- Within one year	242	242
- Over one year	182	242
	10,545	16,437

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group's financial instruments are accounted for under the historical cost method with the exception of investment securities. Fair value represents the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. Differences therefore can arise between book values under the historical cost method and fair value estimates. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms. Generally accepted methods of determining fair value include reference to quoted prices and the use of valuation techniques such as discounted cash flow analysis.

Set out below is a comparison of the carrying amounts and fair values of financial instruments:

31 March 2017 (reviewed)

	Carrying amount	Fair value
Financial assets:		
Balances with banks	11,208	11,208
Placements with financial institutions	3,012	3,012
Financing receivables	6,792	6,792
Receivable from Ijarah investors	7,635	7,635
Investment securities (Debt type - Sukuk)	58,637	57,806
Investment securities (Equity type)	37,514	37,514
Other assets	16,698	16,698
	141,496	140,665
Financial liabilities:		
Placements from financial institutions	3,001	3,026
Financing liabilities	67,933	67,908
Liabilities related to assets acquired for leasing	51,501	51,501
Other liabilities	14,115	14,115
	136,550	136,550

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the three months ended 31 March 2017

US\$ 000's

16 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

31 December 2016 (audited)

	Carrying amount	Fair value
Financial assets:		
Balances with banks	5,151	5,151
Financing receivables	6,915	6,915
Receivable from Ijarah investors	15,185	15,185
Investment securities (Debt type - Sukuk)	59,165	57,696
Investment securities (Equity type)	38,554	38,554
Other assets	13,603	13,603
	138,573	137,104
Financial liabilities:		
Placements from financial institutions	6,503	6,503
Financing liabilities	73,273	73,273
Liabilities related to assets acquired for leasing	52,181	52,181
Other liabilities	13,963	13,963
	145,920	145,920

Valuation techniques

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

Investment securities

The Group measures the fair value of quoted investments using the market bid-prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active or the instrument is not quoted, the Group establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), discounted cash flow analyses and other valuation models with accepted economic methodologies for pricing financial instruments.

Sensitivity analysis

Unquoted securities - Investment securities carried at fair value through income statement:

The effect on profit as a result of a change in the fair value of equity instruments due to a reasonable possible change (i.e. +/-5%) in the value of individual investments, with all other variables held constant, is US\$ 3,343 thousand. The effect of decrease in the value of individual investments is expected to be equal and opposite to the effect of an increase.

Islamic financing contracts

The fair values of financing receivables are principally estimated their carrying amount less impairment provisions. The present value of expected future cash flows is not expected to be different from their carrying values.

Other financial instruments

Placements with financial institutions, placement from financial institutions are for short term tenure hence their carrying value is not different from the fair value. Fair value of other financial assets and liabilities are not significantly different from their carrying values due to their short term nature.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the three months ended 31 March 2017

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16 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The table below analyses the financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e.as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 March 2017 (reviewed)

	Level 1	Level 2	Level 3	Total
Debt type				
Quoted sukuk (at fair value)	5,773	-	-	5,773
Equity type				
Quoted equity securities (at fair value)	6,597	-	-	6,597
Quoted sukuk (at fair value)	2,626	-	-	2,626
Unquoted equity securities (at fair value)	-	-	10,150	10,150
Unquoted fund (at fair value)	-	10,173	-	10,173
	14,996	10,173	10,150	35,319

31 December 2016 (audited)

	Level 1	Level 2	Level 3	Total
Debt type				
Quoted sukuk (at fair value)	11,269	-	-	11,269
Equity type				
Quoted equity securities (at fair value)	6,597	-	-	6,597
Quoted sukuk (at fair value)	2,975	-	-	2,975
Unquoted equity securities (at fair value)	-	-	10,150	10,150
Unquoted fund (at fair value)	-	10,091	-	10,091
	20,841	10,091	10,150	41,082

The following table analyses the movement in Level 3 financial assets during the period:

	31 March 2017 (reviewed)	31 December 2016 (audited)
At beginning of the period	10,150	27,665
Gains (losses) in income statement	-	(2,477)
Sales and transfers into (out) of Level 3	-	(15,038)
At end of the period	10,150	10,150

The fair values of other financial instruments on the condensed consolidated interim statement of financial position are not significantly different from their carrying values, except as disclosed in note 6.

17 COMPARATIVE FIGURES

Certain of the prior period's figures have been regrouped to conform to the presentation adopted in the current period. Such regrouping did not affect previously reported profit for the period or total owner's equity.