



QINVEST

**CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
30 JUNE 2018**

PARTNERS IN VALUE CREATION

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF QINVEST LLC

Introduction

We have reviewed the accompanying 30 June 2018 condensed consolidated interim financial statements of QInvest LLC (the 'Bank') and its subsidiaries (together the 'Group'), which comprise:

- the condensed consolidated statement of financial position as at 30 June 2018;
- the condensed consolidated statement of income for the three and six month periods ended 30 June 2018;
- the condensed consolidated statement of changes in equity for the six month period ended 30 June 2018;
- the condensed consolidated statement of changes in restricted investment accounts for the six month period ended 30 June 2018;
- the condensed consolidated statement of cash flows for the six month period ended 30 June 2018; and
- notes to the condensed consolidated interim financial statements.

The Board of Directors of the Bank is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with Financial Accounting Standards ('FAS') issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ('AAOIFI'). Our responsibility is to express a conclusion on these condensed consolidated interim financial statements 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 statements 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 2018 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with FAS issued by AAOIFI.

Other matter

The condensed consolidated interim financial statements as at and for the three and six month periods ended 30 June 2017 were reviewed, and the consolidated financial statements as at and for the year ended 31 December 2017 were audited, by another auditor, whose review and audit reports dated 23 July 2017 and 17 January 2018 respectively, expressed an unmodified review conclusion and an unmodified audit opinion thereon.

KPMG L.L.C.

15 July 2018

Doha

State of Qatar

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018 (QAR)



	30 June 2018 (Reviewed) QAR '000	31 December 2017 (Audited) QAR '000
ASSETS		
Cash and bank balances	30,401	84,944
Placements with banks	483,421	350,761
Financing assets	630,535	876,050
Investment securities	2,289,935	2,122,015
Investment in real estate	219,889	408,565
Investment in property lease	189,699	193,484
Investment in associates	280,258	275,706
Assets held for sale	78,486	-
Other assets	262,309	148,294
TOTAL ASSETS	4,464,933	4,459,819
LIABILITIES		
Financing liabilities	1,697,412	1,696,867
Other liabilities	175,907	149,993
TOTAL LIABILITIES	1,873,319	1,846,860
EQUITY		
Share capital	2,567,500	2,567,500
Share premium	7,800	7,800
Other reserves	32,640	45,207
Accumulated losses	(122,053)	(131,138)
Total equity attributable to shareholders of the Bank	2,485,887	2,489,369
Non-controlling interests	105,727	123,590
Total equity	2,591,614	2,612,959
TOTAL LIABILITIES AND EQUITY	4,464,933	4,459,819
Off-balance sheet items		
Restricted investment accounts	803,858	882,173

These condensed consolidated interim financial statements were approved by the Board of Directors on 15 July 2018 and were signed on its behalf by:

Sheikh Jassim Bin Hamad Bin Jassim Bin Jabor Al Thani
Chairman

Tamim Hamad Al-Kawari
Chief Executive Officer

CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the three and six month periods ended 30 June 2018 (QAR)



	Three month period ended		Six month period ended	
	30 June 2018 (Reviewed) QAR '000	30 June 2017 (Reviewed) (Restated) QAR '000	30 June 2018 (Reviewed) QAR '000	30 June 2017 (Reviewed) (Restated) QAR '000
Fee and commission income, net	4,626	12,223	13,002	26,303
Income from financing assets	36,240	41,605	71,548	86,901
Income from investments, net	45,307	49,631	79,359	85,547
Income from placements with banks	1,572	1,114	2,988	3,556
Share of results of associates	(12,562)	5,001	(17,989)	6,559
Other income	(110)	(277)	(783)	200
Total operating revenue	75,073	109,297	148,125	209,066
Staff costs	(33,076)	(33,434)	(68,723)	(67,424)
General and administrative expenses	(11,488)	(14,137)	(22,532)	(26,608)
Depreciation and amortisation	(1,008)	(993)	(1,998)	(1,918)
Total operating expenses	(45,572)	(48,564)	(93,253)	(95,950)
Operating profit	29,501	60,733	54,872	113,116
Finance expenses	(24,293)	(19,412)	(45,147)	(38,569)
Impairments and credit losses, net	3,254	4,375	608	4,015
Fair value changes on financing assets, net	3,705	211	6,901	(14,247)
Profit before tax	12,167	45,907	17,234	64,315
Tax expense	(4,171)	244	(4,699)	(1,580)
Net profit	7,996	46,151	12,535	62,735
Attributable to:				
Shareholders of the Bank	7,351	44,385	9,084	59,251
Non-controlling interests	645	1,766	3,451	3,484
	7,996	46,151	12,535	62,735

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018 (US\$)



	Notes	30 June 2018 (Reviewed) US\$ '000	31 December 2017 (Audited) US\$ '000
ASSETS			
Cash and bank balances		8,352	23,336
Placements with banks		132,808	96,363
Financing assets	4	173,224	240,673
Investment securities	5	629,103	582,971
Investment in real estate		60,409	112,243
Investment in property lease		52,115	53,155
Investment in associates		76,994	75,743
Assets held for sale	7	21,562	-
Other assets		72,063	40,740
TOTAL ASSETS		1,226,630	1,225,224
LIABILITIES			
Financing liabilities		466,322	466,172
Other liabilities		48,326	41,207
TOTAL LIABILITIES		514,648	507,379
EQUITY			
Share capital		705,357	705,357
Share premium		2,143	2,143
Other reserves	11	8,967	12,419
Accumulated losses		(33,531)	(36,027)
Total equity attributable to shareholders of the Bank		682,936	683,892
Non-controlling interests		29,046	33,953
Total equity		711,982	717,845
TOTAL LIABILITIES AND EQUITY		1,226,630	1,225,224
Off-balance sheet items			
Restricted investment accounts		220,840	242,355

These condensed consolidated interim financial statements were approved by the Board of Directors on 15 July 2018 and were signed on its behalf by:

Sheikh Jassim Bin Hamad Bin Jassim Bin Jabor Al Thani
Chairman

Tamim Hamad Al-Kawari
Chief Executive Officer

The accompanying notes from 1 to 13 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the three and six month periods ended 30 June 2018 (US\$)



	Notes	Three month period ended		Six month period ended	
		30 June 2018 (Reviewed) US\$ '000	30 June 2017 (Reviewed) (Restated) US\$ '000	30 June 2018 (Reviewed) US\$ '000	30 June 2017 (Reviewed) (Restated) US\$ '000
Fee and commission income, net		1,271	3,358	3,572	7,226
Income from financing assets		9,956	11,430	19,656	23,874
Income from investments, net	8	12,447	13,635	21,802	23,502
Income from placements with banks		432	306	821	977
Share of results of associates		(3,451)	1,374	(4,942)	1,802
Other income		(30)	(76)	(215)	55
Total operating revenue		20,625	30,027	40,694	57,436
Staff costs		(9,087)	(9,185)	(18,880)	(18,523)
General and administrative expenses		(3,156)	(3,884)	(6,190)	(7,310)
Depreciation and amortisation		(277)	(273)	(549)	(527)
Total operating expenses		(12,520)	(13,342)	(25,619)	(26,360)
Operating profit		8,105	16,685	15,075	31,076
Finance expenses		(6,674)	(5,333)	(12,403)	(10,596)
Impairments and credit losses, net	9	894	1,202	167	1,103
Fair value changes on financing assets, net		1,018	59	1,896	(3,914)
Profit before tax		3,343	12,613	4,735	17,669
Tax expense		(1,146)	67	(1,291)	(434)
Net profit		2,197	12,680	3,444	17,235
Attributable to:					
Shareholders of the Bank		2,020	12,194	2,496	16,277
Non-controlling interests		177	486	948	958
		2,197	12,680	3,444	17,235

The accompanying notes from 1 to 13 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months period ended 30 June 2018



	Attributable to shareholders of the bank					Total equity attributable to shareholders of the Bank US\$ '000	Non-controlling interests US\$ '000	Total Equity US\$ '000
	Share capital US\$ '000	Share premium US\$ '000	Other reserves US\$ '000	Accumulated losses US\$ '000				
As at 1 January 2018 (Audited)	705,357	2,143	12,419	(36,027)	683,892	33,953	717,845	
Profit	-	-	-	2,496	2,496	948	3,444	
Foreign currency translation differences on foreign operations	-	-	(7,725)	-	(7,725)	379	(7,346)	
Effective portion of changes in fair value of hedges	-	-	4,494	-	4,494	-	4,494	
Net change in fair value through equity investments	-	-	975	-	975	-	975	
Share-based payments	-	-	(1,196)	-	(1,196)	-	(1,196)	
Net movement in non-controlling interests	-	-	-	-	-	(6,234)	(6,234)	
As at 30 June 2018 (Reviewed)	705,357	2,143	8,967	(33,531)	682,936	29,046	711,982	

	Attributable to shareholders of the bank						Non-controlling interests US\$ '000	Total Equity US\$ '000
	Share capital US\$ '000	Share premium US\$ '000	Treasury shares US\$ '000	Other reserves US\$ '000	Accumulated losses US\$ '000	Total equity attributable to shareholders of the Bank US\$ '000		
As at 1 January 2017 (Audited)	750,000	7,500	(50,000)	8,878	(11,682)	704,696	30,296	734,992
Transition adjustment on early adoption of FAS 30 and guidance of IFRS 9 at 1 January 2017	-	-	-	-	(42,439)	(42,439)	-	(42,439)
Restated balance as at 1 January 2017	750,000	7,500	(50,000)	8,878	(54,121)	662,257	30,296	692,553
Profit	-	-	-	-	16,277	16,277	958	17,235
Extinguishment of treasury shares	(44,643)	(5,357)	50,000	-	-	-	-	-
Foreign currency translation differences on foreign operations	-	-	-	5,266	-	5,266	2,005	7,271
Effective portion of changes in fair value of hedges	-	-	-	(1,874)	-	(1,874)	-	(1,874)
Net change in fair value through equity investments	-	-	-	(2,365)	-	(2,365)	-	(2,365)
Share-based payments	-	-	-	188	-	188	-	188
Net movement in non-controlling interests	-	-	-	-	-	-	(28)	(28)
As at 30 June 2017 (Reviewed and Restated)	705,357	2,143	-	10,093	(37,844)	679,749	33,231	712,980

The accompanying notes from 1 to 13 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN RESTRICTED INVESTMENT ACCOUNTS

For the six months period ended 30 June 2018



	Balance at 1 January 2018 (Audited) US\$'000	Movements during the period			Agency fees US\$'000	Balance at 30 June 2018 (Reviewed) US\$'000
		Investment / (repayment) US\$'000	Revaluation gain / (loss) US\$'000	Realised income / (expenses) US\$'000		
Restricted investment accounts	242,355	(24,941)	(3,370)	6,146	650	220,840

	Balance at 1 January 2017 (Audited) US\$'000	Movements during the period			Agency fees US\$'000	Balance at 30 June 2017 (Reviewed) US\$'000
		Investment / (repayment) US\$'000	Revaluation gain / (loss) US\$'000	Realised income / (expenses) US\$'000		
Restricted investment accounts	244,900	10,451	(4,704)	3,993	(313)	254,327

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months period ended 30 June 2018



	Notes	Six month period ended	
		30 June 2018 (Reviewed) US\$ '000	30 June 2017 (Reviewed) US\$ '000
OPERATING ACTIVITIES			
Profit before tax		4,735	17,669
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Share of results of associates		4,942	(1,802)
Net unrealised foreign exchange losses		674	28
Depreciation and amortization		549	527
Gain on fair value through income statement investments		(11,151)	(12,545)
Fair value (gain) / loss on fair value through income statement financing assets		(1,896)	3,914
Impairment loss	9	(167)	(1,103)
Employees' end of service benefits, net		238	85
Fair value loss on investment in real estate		-	750
Share based payments		(1,196)	188
Net operating profit before changes in operating assets and liabilities		(3,272)	7,711
Change in placements with banks		5,000	-
Change in other assets		12,717	(262)
Change in other liabilities		(2,633)	(2,060)
Net cash flows from operating activities		11,812	5,389
INVESTING ACTIVITIES			
Purchase of investment securities		(37,041)	(92,582)
Proceeds from disposal of investment securities		26,959	42,355
Net movement in financing assets		43,431	59,450
Investment in an associate		(8,659)	549
Purchase of equipment and intangible assets		(3)	(309)
Purchases of investments in real estate		-	(222)
Net cash flows from investing activities		24,687	9,241
FINANCING ACTIVITIES			
Net movement in financing liabilities		(10,038)	(16,759)
Net cash flows used in financing activities		(10,038)	(16,759)
Net increase / (decrease) in cash and cash equivalents		26,461	(2,129)
Cash and cash equivalents at 1 January		114,699	204,530
Cash and cash equivalents at 30 June	10	141,160	202,401

The accompanying notes from 1 to 13 form an integral part of these condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the six month period ended 30 June 2018



1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

QInvest LLC ("QInvest" or "the Bank"), and its subsidiaries (together referred to as the "Group"), is an Islamic investment bank, which has been established as a limited liability company in the Qatar Financial Centre. The Bank was authorised by the Qatar Financial Centre Regulatory Authority ("QFCRA") on 30 April 2007 as a category 1 firm, under approval number 00048. Its registered office is at 39th Floor, Tornado Tower, Street No.213, Majlis Al Tawoon Street, Zone 60, West Bay, Doha, State of Qatar.

The Bank is authorised by the Qatar Financial Centre Regulatory Authority (the "QFCRA") to conduct the following regulated activities:

- Deposit taking;
- Dealing in investments;
- Arranging deals in investments;
- Providing credit facilities;
- Arranging credit facilities;
- Providing custody services;
- Arranging the provision of custody services;
- Managing investments;
- Advising on investments; and
- Operating a collective investment fund

in or from the Qatar Financial Center, subject to certain restriction and conditions relating to retail customers and in relation to specified products.

The Bank's activities are regulated by the QFCRA and are supervised by a Sharia'a Supervisory Board.

These condensed consolidated interim financial statements of the Group as at and for the six month period ended 30 June 2018 were authorised for issue by the Board of Directors on 15 July 2018.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI") and the Shari'a Rules and Principles as determined by the Shari'a Supervisory Board of the Group. In line with the requirements of AAOIFI, for matters that are not covered by FAS, the Group uses the guidance from the relevant International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB"). Accordingly, the condensed consolidated interim financial statements have been prepared in accordance with the guidance provided by International Accounting Standard 34 – 'Interim Financial Reporting'.

These condensed consolidated interim financial statements are prepared on historical cost basis, except for financial investments classified as investments at fair value through equity, investments at fair value through income statement, financing assets and other debt instruments classified as fair value through income statement, derivative financial instruments and investment in real estate that have been measured at fair value. Assets held for sale are stated at lower of carrying amount and fair value less cost to sell.

These condensed consolidated interim financial statements are presented in US Dollars thousands ("US\$ '000"), except where otherwise stated, which is Group's presentation and functional currency.

The management of the Group has decided to present the condensed consolidated statement of financial position and condensed consolidated statement of income in Qatari Riyals as well. Those two statements are disclosed at the beginning of these condensed consolidated interim financial statements as a supplementary information which do not form part of the reviewed condensed consolidated interim financial statements.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Significant accounting policies

The accounting policies adopted in the preparation of these condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2017.

The following new and amended standards have been adopted by the Group in preparation of this condensed consolidated interim financial statements. The new standards do not have a material impact to the Group.

Topic	Effective date
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 2 Classification and Measurement of Share-based Payment Transactions — Amendments to IFRS 2	1 January 2018

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's condensed consolidated interim financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Topic	Effective date
IFRS 16 Leases	1 January 2019

Restatement of comparatives

The comparatives for the three and six month periods ended 30 June 2017 have been restated due to the early adoption of FAS 30 and guidance of IFRS 9 in the third quarter of 2017. The condensed consolidated interim financial statements as at and for the six month period ended 30 June 2017 were issued as per the previously applicable accounting standards FAS 11 in conjunction with relevant guidance of IAS 39. Below are the revised results for the six month period ended 30 June 2017 under FAS 30 and guidance of IFRS 9 highlighting the changes in the line items of the previously issued financial statements:

	As previously reported US'000	Adjustments US'000	As restated US'000
Fair value loss on financing assets classified as fair value through income statement (FVTIS)	-	(3,914)	(3,914)
Recoveries from expected credit losses on financial assets	-	1,671	1,671
Impairment loss on financial and other assets	(9,591)	9,023	(568)
Net adjustment	(9,591)	6,780	(2,811)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at and for the six month period ended 30 June 2018

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Basis of consolidation

The Group's principal subsidiaries as at 30 June 2018 are as below:

Name	Principal Business Activity	Country of Incorporation	% Effective shareholding	
			30 June 2018	30 December 2017
QInvest Portfoy Yonetimi A.S.	Asset Management	Turkey	100%	100%
Verdi Luxembourg S.a.r.l.	Investment in real estate	Luxembourg	100%	100%
Q Business Services	Investment holding company	Cayman Islands	100%	100%
Q Liquidity Limited	Placements	Cayman Islands	100%	100%
QInvest Holding Mauritius	Investment holding company	Mauritius	100%	100%
QInvest Luxembourg S.a.r.l.	Investment holding company	Luxembourg	100%	100%
QI St Edmund's Terrace 2 Limited	Investment holding company	Cayman Islands	100%	100%
QInvest IBFin LLC	To provide financing facility	State of Qatar (QFC)	100%	100%
QI One Wall Street Invest Co.	Investment holding company	Cayman Islands	100%	100%
QEthika 1 LLC	Investment holding company	Cayman Islands	100%	100%
QNGPV1 LLC	Investment holding company	Cayman Islands	100%	100%
QInvest Euro PE QFC LLC	Investment holding company	State of Qatar (QFC)	100%	100%
QInvest Rio LLC	Investment holding company	State of Qatar (QFC)	63%	63%
Rio income S.a.r.l.	Investment in lease assets	Luxembourg	90%	90%
Q Tomahawk LLC	Investment holding company	Cayman Islands	100%	100%
QInvest Refin LLC	To provide financing facility	State of Qatar (QFC)	100%	100%
Q Alloy S.a.r.l.	To provide financing facility	Luxemburg	100%	100%
QSeven 1 LP	Investment in real estate	Cayman Island	91%	91%
Q Magnolia LLC	Investment in real estate	Cayman Island	100%	100%
BOH LLC	Investment holding company	State of Qatar (QFC)	100%	100%
Alloy Holdco LLC	Investment holding company	State of Qatar (QFC)	100%	100%
Admiral Holdco LLC	Holding company	State of Qatar (QFC)	100%	-
Admiral Operations Limited	Vessel operating company	Cayman Islands	75%	-

3 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2017.

4 FINANCING ASSETS

	30 June 2018 (Reviewed) US\$ '000	31 December 2017 (Audited) US\$ '000
Fair value through income statement		
Murabaha	134,777	154,028
Amortised cost		
Murabaha	39,827	88,585
Less: Expected credit losses	(1,380)	(1,940)
Financing assets at amortized cost	38,447	86,645
Total financing assets	173,224	240,673

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at and for the six month period ended 30 June 2018

4 FINANCING ASSETS (continued)

The movements in expected credit losses /allowance for impairment for financing assets are as follow:

	30 June 2018 (Reviewed) US\$ '000	31 December 2017 (Audited) US\$ '000
Balance at beginning of period/year	1,940	38,780
Adjustments as a result of early adopting FAS 30 and IFRS 9 guidance		
Reversal of allowance on financing assets carried at FVIS	-	(37,213)
Additional expected credit losses	-	2,078
Adjusted balance at beginning of period / year	1,940	3,645
Net reversals during the period / year	(560)	(1,705)
Balance at end of period / year	1,380	1,940

5 INVESTMENT SECURITIES

	30 June 2018 (Reviewed) US\$ '000	31 December 2017 (Audited) US\$ '000
Equity		
Fair value through income statement	473,620	420,742
Fair value through equity	105,389	85,250
	579,009	505,992
Sukuk and other debt instruments		
Fair value through income statement	23,709	30,177
Amortised cost	29,311	50,239
Less: ECL allowance for impairment	(2,926)	(3,437)
	26,385	46,802
	629,103	582,971

6 FAIR VALUE HIERARCHY OF ASSETS AND LIABILITIES

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of assets and liabilities 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at and for the six month period ended 30 June 2018

6 FAIR VALUE HIERARCHY OF ASSETS AND LIABILITIES (continued)

Fair value hierarchy (continued)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 30 June 2018:

	Fair value measurement using			
	Fair value US\$ '000	Quoted prices in active markets (Level 1) US\$ '000	Significant observable inputs (Level 2) US\$ '000	Significant unobservable inputs (Level 3) US\$ '000
ASSETS				
Fair value through income statement investments	497,329	6,720	124,292	366,317
Fair value through income statement financing assets	134,777	-	-	134,777
Fair value through equity financial investments	105,389	12,366	47,682	45,341
Derivative instruments	28,891	-	28,891	-
Investment in real estate	60,409	-	-	60,409
Total	826,795	19,086	200,865	606,844
LIABILITIES				
Derivative instruments	20,878	-	20,878	-

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 December 2017:

	Fair value measurement using			
	Fair value US\$ '000	Quoted prices in active markets (Level 1) US\$ '000	Significant observable inputs (Level 2) US\$ '000	Significant unobservable inputs (Level 3) US\$ '000
ASSETS				
Fair value through income statement investments	450,919	8,143	127,417	315,359
Fair value through income statement financing assets	154,028	-	-	154,028
Fair value through equity financial investments	85,250	-	27,607	57,643
Derivative instruments	1,186	-	1,186	-
Investment in real estate	61,415	-	-	61,415
Total	752,798	8,143	156,210	588,445
LIABILITIES				
Derivative instruments	8,205	-	8,205	-

During the six month period ended 30 June 2018, there were no transfers between Level 1 and Level 2 fair value measurements.

The valuation techniques and key assumptions have remained consistent with those disclosed in the annual consolidated financial statements as at and for the year ended 31 December 2017.

7 ASSETS HELD FOR SALE

Assets held for sale represent repossessed collateral obtained as a result of settlement of a financing asset. These mainly represent vessels and are owned by a 100% owned subsidiary of the Bank.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at and for the six month period ended 30 June 2018

8 INCOME FROM INVESTMENTS, NET

	Note	Six month period ended	
		30 June 2018 (Reviewed) US\$ '000	30 June 2017 (Reviewed) US\$ '000
Net income from financial investments	8.1	17,083	19,341
Net income from investments in real estate		3,853	3,114
Net income from investment in property lease		866	1,047
		21,802	23,502

8.1 Net income from financial investments

	Six month period ended	
	30 June 2018 (Reviewed) US\$ '000	30 June 2017 (Reviewed) US\$ '000
Income from investments carried at fair value through income statement, net	13,884	15,300
Income from investments carried at fair value through equity	1,302	-
Income from investments carried at amortized cost	1,397	3,980
Net gain from derivative financial instruments	500	61
	17,083	19,341

9 IMPAIRMENT AND CREDIT LOSSES, NET

	Six month period ended	
	30 June 2018 (Reviewed) US\$ '000	30 June 2017 (Reviewed) (Restated) US\$ '000
Financing assets	560	1,671
Investment securities	(393)	-
Other assets	-	(568)
	167	1,103

10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following balances with original maturity less than 90 days.

	Six month period ended	
	30 June 2018 (Reviewed) US\$ '000	30 June 2017 (Reviewed) US\$ '000
Cash and bank balances	8,352	161,758
Short-term placements (original maturity of less than six months)	132,808	40,643
	141,160	202,401

11 OTHER RESERVES

11.1 Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

11.2 Fair value reserve

The investments fair value reserve includes the cumulative net change in the fair value of fair value through equity investments, excluding impairment losses, until the investment is derecognized. This also includes the Bank's share of the fair value changes on fair value through equity investments of an associate.

11.3 Hedging reserve

The hedging reserves are used to record gains or losses on derivatives that are designated and qualify as net investment in foreign operations hedges and cash flow hedges that are recognised in the reserves. Amounts are reclassified to income statement when the associated hedged transaction affects income statement.

11.4 Share based payment reserve

The share based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

12 CONTINGENT LIABILITIES, COMMITMENTS AND PROVISIONS

	30 June 2018 (Reviewed) US\$ '000	31 December 2017 (Audited) US\$ '000
Investment commitments	81,614	82,934
Forward foreign exchange contracts	858,337	323,776
Cross currency swaps	33,902	45,352
Other contingent liabilities	25,579	30,173
Operating lease commitments	3,635	1,995
Unutilised financing commitments	5,219	10,997

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at and for the six month period ended 30 June 2018

13 RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include entities over which the Group exercises significant influence, major shareholders, directors and key management personnel of the Group.

The following table provides the total amount of transactions that have been entered into with related parties during the six month period ended 30 June 2018 and 2017, as well as balances with related parties as at 30 June 2018 and 31 December 2017:

	30 June 2018 (Reviewed) US\$ '000	31 December 2017 (Audited) US\$ '000
Balance sheet items:		
<i>Assets:</i>		
Placements and bank balances with a significant shareholder and its subsidiaries	62,214	36,755
Other assets	874	121
Off balance sheet items:		
Forward foreign exchange contracts outstanding	211,157	121,248
Restricted investment accounts	18,741	19,170
	Six month period ended	
	30 June 2018 (Reviewed) US\$ '000	30 June 2017 (Reviewed) US\$ '000
Income statement items:		
Financing income	13	54
Fee and commission income from transaction with the other related parties	750	63
Placements income	105	24

Key management personnel of the Group comprise the Board of Directors and key members of management having authority and responsibility for planning, controlling and directing the activities of the Group.

Transactions with key management personnel:

	Six months period ended	
	30 June 2018 (Reviewed) US\$ '000	30 June 2017 (Reviewed) US\$ '000
Salaries and other benefits	1,771	1,690
Incentives	2,883	1,832
Employee share option plan	(660)	299
Post-employment benefits	318	109

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Note: "\$" refers to US Dollars throughout this document