

QInvest LLC

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS**

30 June 2019

QInvest LLC

**Condensed Consolidated Interim Financial Statements
For the period ended 30 June 2019**

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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 2019 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 2019;
- the condensed consolidated statement of income for the three and six month periods ended 30 June 2019;
- the condensed consolidated statement of changes in equity for the six month period ended 30 June 2019;
- the condensed consolidated statement of changes in restricted investment accounts for the six month period ended 30 June 2019;
- the condensed consolidated statement of cash flows for the six month period ended 30 June 2019; and
- notes to the condensed consolidated interim financial statements from page 11 to 17.

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 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.



Independent auditor's report on review of condensed consolidated interim financial statements to the Board of Directors of QInvest LLC (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2019 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with FAS issued by AAOIFI.

KPMG LLC

KPMG L.L.C.

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17 July 2019

Doha

State of Qatar

QInvest LLC

Condensed consolidated statement of financial position
As at 30 June 2019

In thousand QAR

	30 June 2019 (Reviewed)	31 December 2018 (Audited)
Assets		
Cash and bank balances	90,796	103,893
Placements with banks	55,903	165,522
Financing assets	629,454	639,286
Investment securities	2,293,437	2,476,063
Investment in real estate	224,577	223,278
Investment in associates	176,707	171,917
Assets held for sale	76,924	79,148
Other assets	195,604	196,563
Total assets	3,743,402	4,055,670
Liabilities		
Financing liabilities	1,333,387	1,616,131
Liabilities directly associated with the assets held for sale	3,917	3,931
Other liabilities	96,558	100,285
Total liabilities	1,433,862	1,720,347
Equity		
Share capital	2,567,500	2,567,500
Share premium	7,800	7,800
Other reserves	18,404	(11,382)
Accumulated losses	(304,086)	(246,351)
Total equity attributable to shareholders of the Bank	2,289,618	2,317,567
Non-controlling interests	19,922	17,756
Total equity	2,309,540	2,335,323
Total liabilities and equity	3,743,402	4,055,670
Off-balance sheet items		
Restricted investment accounts	646,733	554,044

These condensed consolidated interim financial statements were approved by the Board of Directors on 17 July 2019 and were signed on its behalf by:



Sheikh Jassim Bin Hamad Bin Jassim Bin Jaber Al Thani
Chairman



Tamim Hamad Al-Kawari
Chief Executive Officer

Supplementary information to the condensed consolidated interim financial statements.

Condensed consolidated statement of income
For the three and six month periods ended 30 June 2019

In thousand QAR

	Three month period ended		Six month period ended	
	30 June 2019 (Reviewed)	30 June 2018 (Reviewed)	30 June 2019 (Reviewed)	30 June 2018 (Reviewed)
Fee and commission income, net	4,172	4,626	8,984	13,002
Income from financing assets	17,592	36,240	34,988	71,548
Net gain from investments	20,894	45,307	43,298	79,359
Income from placements with banks	663	1,572	1,966	2,988
Share of results of associates	2,275	(12,562)	3,003	(17,989)
Other income / (loss)	906	(110)	2,220	(783)
Total operating revenue	46,502	75,073	94,459	148,125
Staff costs	(23,696)	(33,076)	(41,674)	(68,723)
General and administrative expenses	(9,836)	(11,488)	(18,921)	(22,532)
Depreciation and amortisation	(560)	(1,008)	(1,503)	(1,998)
Total operating expenses	(34,092)	(45,572)	(62,098)	(93,253)
Operating profit	12,410	29,501	32,361	54,872
Finance expenses	(21,462)	(24,293)	(45,704)	(45,147)
Impairments and credit losses, net	(61,629)	3,254	(62,000)	608
Fair value changes on financing assets, net	4,437	3,705	12,212	6,901
(Loss) / profit before tax	(66,244)	12,167	(63,131)	17,234
Tax reversal / (expense)	10,185	(4,171)	7,371	(4,699)
Net (loss) / profit	(56,059)	7,996	(55,760)	12,535
Attributable to:				
Shareholders of the Bank	(57,901)	7,351	(57,733)	9,084
Non-controlling interests	1,842	645	1,973	3,451
	(56,059)	7,996	(55,760)	12,535

QInvest LLC

Condensed consolidated statement of financial position
As at 30 June 2019

In thousand US\$

	Notes	30 June 2019 (Reviewed)	31 December 2018 (Audited)
Assets			
Cash and bank balances		24,944	28,542
Placements with banks		15,358	45,473
Financing assets	4	172,927	175,628
Investment securities	5	630,065	680,237
Investment in real estate		61,697	61,340
Investment in associates		48,546	47,230
Assets held for sale	7	21,133	21,744
Other assets		53,737	54,001
Total assets		1,028,407	1,114,195
Liabilities			
Financing liabilities		366,315	443,992
Liabilities directly associated with the assets held for sale	7	1,076	1,080
Other liabilities		26,527	27,551
Total liabilities		393,918	472,623
Equity			
Share capital		705,357	705,357
Share premium		2,143	2,143
Other reserves	11	5,056	(3,127)
Accumulated losses		(83,540)	(67,679)
Total equity attributable to shareholders of the Bank		629,016	636,694
Non-controlling interests		5,473	4,878
Total equity		634,489	641,572
Total liabilities and equity		1,028,407	1,114,195
Off-balance sheet items			
Restricted investment accounts		177,674	152,210

These condensed consolidated interim financial statements were approved by the Board of Directors on 17 July 2019 and were signed on its behalf by:

Sheikh Jassim Bin Hamad Bin Jassim Bin Jaber Al Thani
Chairman

Tamim Hamad Al-Kawari
Chief Executive Officer

The accompanying notes 1 to 14 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 2019

In thousand US\$

	Notes	Three month period ended		Six month period ended	
		30 June 2019 (Reviewed)	30 June 2018 (Reviewed)	30 June 2019 (Reviewed)	30 June 2018 (Reviewed)
Fee and commission income, net		1,146	1,271	2,468	3,572
Income from financing assets		4,833	9,956	9,612	19,656
Net gain from investments	8	5,740	12,447	11,895	21,802
Income from placements with banks		182	432	540	821
Share of results of associates		625	(3,451)	825	(4,942)
Other income / (loss)		249	(30)	610	(215)
Total operating revenue		12,775	20,625	25,950	40,694
Staff costs		(6,510)	(9,087)	(11,449)	(18,880)
General and administrative expenses		(2,702)	(3,156)	(5,198)	(6,190)
Depreciation and amortisation		(154)	(277)	(413)	(549)
Total operating expenses		(9,366)	(12,520)	(17,060)	(25,619)
Operating profit		3,409	8,105	8,890	15,075
Finance expenses		(5,896)	(6,674)	(12,556)	(12,403)
Impairments and credit losses, net	9	(16,931)	894	(17,033)	167
Fair value changes on financing assets, net		1,219	1,018	3,355	1,896
(Loss) / Profit before tax		(18,199)	3,343	(17,344)	4,735
Tax reversal / (expense)		2,798	(1,146)	2,025	(1,291)
Net (loss) / profit		(15,401)	2,197	(15,319)	3,444
Attributable to:					
Shareholders of the Bank		(15,907)	2,020	(15,861)	2,496
Non-controlling interests		506	177	542	948
		(15,401)	2,197	(15,319)	3,444

The accompanying notes 1 to 14 form an integral part of these condensed consolidated interim financial statements.

QInvest LLC

Condensed consolidated statement of changes in equity
For the six month period ended 30 June 2019

In thousand US\$

	Attributable to shareholders of the Bank				Total equity attributable to shareholders of the Bank	Non-controlling interests	Total equity
	Share Capital	Share premium	Other reserves	Accumulated losses			
As at 1 January 2019 (Audited)	705,357	2,143	(3,127)	(67,679)	636,694	4,878	641,572
(Loss) / profit	-	-	-	(15,861)	(15,861)	542	(15,319)
Foreign currency translation differences on foreign operations	-	-	3,358	-	3,358	-	3,358
Effective portion of changes in fair value of hedges	-	-	151	-	151	-	151
Net change in fair value through equity investments	-	-	4,674	-	4,674	-	4,674
Net movement in non-controlling interests	-	-	-	-	-	53	53
As at 30 June 2019 (Reviewed)	705,357	2,143	5,056	(83,540)	629,016	5,473	634,489

The accompanying notes 1 to 14 form an integral part of these condensed consolidated interim financial statements.

QInvest LLC

**Condensed consolidated statement of changes in equity
For the six month period ended 30 June 2019**

In thousand US\$

	Attributable to shareholders of the Bank				Total equity attributable to shareholders of the Bank	Non- controlling interests	Total equity
	Share Capital	Share premium	Other reserves	Accumulated losses			
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)	<u>705,357</u>	<u>2,143</u>	<u>8,967</u>	<u>(33,531)</u>	<u>682,936</u>	<u>29,046</u>	<u>711,982</u>

The accompanying notes 1 to 14 form an integral part of these condensed consolidated interim financial statements.

QInvest LLC

Condensed consolidated statement of changes in restricted investment accounts
For the six month period ended 30 June 2019

In thousand US\$

	Balance at 1 January 2019 (Audited)	Movements during the period			Agency fees	Balance at 30 June 2019 (Reviewed)
		Investment / (repayment)	Revaluation gain/(loss)	Realised income/ (expenses)		
Restricted investment accounts	<u>152,210</u>	<u>15,781</u>	<u>3,240</u>	<u>6,997</u>	<u>(554)</u>	<u>177,674</u>
		Movements during the period				
	Balance at 1 January 2018 (Audited)	Investment / (repayment)	Revaluation gain/(loss)	Realised income/ (expenses)	Agency fees	Balance at 30 June 2018 (Reviewed)
Restricted investment accounts	<u>242,355</u>	<u>(24,941)</u>	<u>(3,370)</u>	<u>6,146</u>	<u>650</u>	<u>220,840</u>

The accompanying notes 1 to 14 form an integral part of these condensed consolidated interim financial statements.

Condensed consolidated statement of cash flows
For the six month period ended 30 June 2019

In thousand US\$

	Six month period ended	
	30 June 2019	30 June 2018
Notes	(Reviewed)	(Reviewed)
Operating activities		
(Loss) / profit before tax	(17,344)	4,735
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Share of results of associates	(825)	4,942
Net unrealised foreign exchange (gains) / losses	154	674
Depreciation and amortization	413	549
Gain on fair value through income statement investments	(996)	(11,151)
Fair value changes on financing assets, net	(3,355)	(1,896)
Impairments and credit losses, net	9 17,033	(167)
Employees' end of service benefits, net	(177)	238
Share based payments	-	(1,196)
Net operating profit before changes in operating assets and liabilities	(5,097)	(3,272)
Change in placements with banks	-	5,000
Change in other assets	(425)	12,717
Change in other liabilities	(5,935)	(2,633)
Net cash flows (used in) / generated from operating activities	(11,457)	11,812
Investing activities		
Purchase of investment securities	(13,013)	(37,041)
Proceeds from disposal of investment securities	52,751	26,959
Net movement in financing assets	15,938	43,431
Investment in associate	549	(8,659)
Purchase of equipment and intangible assets	(292)	(3)
Net cash flows from investing activities	55,933	24,687
Financing activities		
Net movement in financing liabilities	(77,677)	(10,038)
Dividend payments	(512)	-
Net cash flows used in financing activities	(78,189)	(10,038)
Net (decrease) / increase in cash and cash equivalents	(33,713)	26,461
Cash and cash equivalents at 1 January	74,015	114,699
Cash and cash equivalents at 30 June	40,302	141,160

The accompanying notes from 1 to 14 form an integral part of these condensed consolidated interim financial statements.

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. It’s 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 2019 were authorised for issue by the Board of Directors on 17 July 2019.

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”), the Shari’a Rules and Principles as determined by the Shari’a Supervisory Board of the Bank and the applicable provisions of the QFCRA rules. 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 have been prepared under the historical cost convention, 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 supplementary information and do not form part of the reviewed condensed consolidated interim financial statements.

**Notes to the condensed consolidated interim financial statements
At 30 June 2019**
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 2018.

The following new standard have been adopted by the Group in preparation of these condensed consolidated interim financial statements. The new standard do not have an impact on the Group.

Topic	Effective date
FAS 28 Murabaha and other deferred payment sales	1 January 2019

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
FAS 31 Investment agency	1 January 2020
FAS 33 Investment in sukuk, shares and similar instruments	1 January 2020
FAS 34 Financial reporting for Sukuk-holders	1 January 2020
FAS 35 Risk reserve	1 January 2021

Basis of consolidation

The Group's principal subsidiaries as at 30 June 2019 are as below:

Name	Principal Business Activity	Country of Incorporation	%	
			Effective shareholding 30 June 2019	31 December 2018
QInvest Portfoy Yonetimi A.S.	Asset Management	Turkey	100%	100%
Verdi Luxembourg S.a.r.l.	Investment in real estate	Luxembourg	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%
QEthika 1 LLC	Investment holding company	Cayman Islands	100%	100%
QInvest Euro PE QFC LLC	Investment holding company	State of Qatar (QFC)	100%	100%
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	Luxembourg	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%
QInvest RE-Equity LLC	Investment holding company	State of Qatar (QFC)	100%	100%
Admiral Holdco LLC	Holding company	State of Qatar (QFC)	100%	100%
Admiral Operations Limited	Vessel operating company	Cayman Islands	75%	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 2018.

4 Financing assets

	30 June 2019 (Reviewed)	31 December 2018 (Audited)
Fair value through income statement		
Murabaha	137,917	138,076
Amortised cost		
Murabaha	36,337	38,745
Less: Expected credit losses	<u>(1,327)</u>	<u>(1,193)</u>
Financing assets at amortized cost	35,010	37,552
Total financing assets	<u>172,927</u>	<u>175,628</u>

The movements in expected credit losses are as follow:

	30 June 2019 (Reviewed)	31 December 2018 (Audited)
Balance at beginning of the period / year	1,193	1,940
Net charge / (reversal) during the period / year	<u>134</u>	<u>(747)</u>
Balance at end of the period / year	<u>1,327</u>	<u>1,193</u>

5 Investment securities

	30 June 2019 (Reviewed)	31 December 2018 (Audited)
Equity		
Fair value through income statement	501,470	529,645
Fair value through equity	<u>98,306</u>	<u>114,006</u>
	599,776	643,651
Sukuk and other debt instruments		
Fair value through income statement	<u>28,309</u>	<u>27,528</u>
Amortised cost	18,601	29,843
Less: Expected credit losses	<u>(16,621)</u>	<u>(20,785)</u>
	1,980	9,058
	<u>630,065</u>	<u>680,237</u>

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.

6 Fair value hierarchy of assets and liabilities (continued)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 30 June 2019:

	Fair value	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets				
Fair value through income statement investments	529,779	7,564	134,418	387,797
Fair value through income statement financing assets	137,917	-	-	137,917
Fair value through equity investments	98,306	7,144	46,197	44,965
Derivative instruments	22,289	-	22,289	-
Investment in real estate	61,697	-	-	61,697
Total	849,988	14,708	202,904	632,376
Liabilities				
Derivative instruments	6,971	-	6,971	-

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 December 2018:

	Fair value	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets				
Fair value through income statement investments	557,173	4,563	156,468	396,142
Fair value through income statement financing assets	138,076	-	-	138,076
Fair value through equity investments	114,006	11,103	48,048	54,855
Derivative instruments	29,258	-	29,258	-
Investment in real estate	61,340	-	-	61,340
Total	899,853	15,666	233,774	650,413
Liabilities				
Derivative instruments	3,782	-	3,782	-

During the six month period ended 30 June 2019, 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 2018.

7 Assets held for sale

	30 June 2019 (Reviewed)	31 December 2018 (Audited)
Assets		
Cash and cash equivalents	34	309
Fixed assets	19,408	20,222
Trade and other receivables	1,691	1,213
	21,133	21,744
Liabilities		
Trade and other payables	1,076	1,080

8 Net gain from investments

	Six month period ended	
	30 June 2019 (Reviewed)	30 June 2018 (Reviewed)
	<i>Note</i>	
Net income from financial investments	8.1 9,518	17,083
Net income from investments in real estate	2,377	3,853
Net income from investment in property lease	-	866
	11,895	21,802

8.1 Net income from financial investments

	Six month period ended	
	30 June 2019 (Reviewed)	30 June 2018 (Reviewed)
Income from investments carried at fair value through income statement, net	6,972	13,884
Income from investments carried at fair value through equity	2,029	1,302
Income from investments carried at amortized cost, net	105	1,397
Net gain from derivative financial instruments	412	500
	9,518	17,083

9 Impairment and credit losses, net

	Six month period ended	
	30 June 2019 (Reviewed)	30 June 2018 (Reviewed)
Financing assets	134	(560)
Investment securities	16,830	393
Other assets	69	-
	17,033	(167)

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 2019 (Reviewed)	30 June 2018 (Reviewed)
Cash and bank balances	24,944	8,352
Short-term placements (original maturity of less than three months)	15,358	132,808
	<u>40,302</u>	<u>141,160</u>

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.

12 Contingent liabilities, commitments and provisions

	30 June 2019 (Reviewed)	31 December 2018 (Audited)
Investment commitments	<u>21,367</u>	<u>39,662</u>
Forward foreign exchange contracts	<u>357,345</u>	<u>344,868</u>
Cross currency swaps/ profit rate swaps	<u>158,902</u>	<u>158,902</u>
Other contingent liabilities	<u>52,370</u>	<u>52,322</u>
Operating lease commitments	<u>4,780</u>	<u>2,004</u>
Unutilised financing commitments	<u>2,828</u>	<u>3,659</u>

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.

13 Related parties (continued)

The following table provides the total amount of transactions that have been entered into with related parties during the six month periods ended 30 June 2019 and 2018, as well as balances with related parties as at 30 June 2019 and 31 December 2018:

	30 June 2019 (Reviewed)	31 December 2018 (Audited)
Balance sheet items:		
<i>Assets:</i>		
Placements and bank balances	5,500	20,737
Other assets	445	862
Off balance sheet items:		
Forward foreign exchange contracts outstanding	250,466	231,959
Restricted investment accounts	20,035	19,436
	Six month period ended	
	30 June 2019 (Reviewed)	30 June 2018 (Reviewed)
Income statement items:		
Financing income	-	13
Fee and commission income	85	750
Placement income	127	105

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 month period ended	
	30 June 2019 (Reviewed)	30 June 2018 (Reviewed)
Salaries and other benefits	1,315	1,771
Incentives	1,003	2,883
Employee share option plan	-	(660)
Post-employment benefits	97	318

14 Comparative figures

The comparative figures have been reclassified, where necessary, to preserve consistency with the current period. Such reclassifications did not have any effect on the consolidated net profits, net assets or equity for the comparative period.