

Bahrain Middle East Bank B.S.C.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

30 JUNE 2015 (Reviewed)

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF BAHRAIN MIDDLE EAST BANK B.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Bahrain Middle East Bank B.S.C. ("the Bank") and its subsidiaries (together "the Group") as at 30 June 2015, comprising of the interim consolidated statement of financial position as at 30 June 2015 and the related interim consolidated statements of income, comprehensive income, cash flows and changes in equity for the six-month period then ended and explanatory notes. The Board of Directors of the Bank is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.




13 August 2015
Manama, Kingdom of Bahrain

Bahrain Middle East Bank B.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015 (Reviewed)

	Note	<i>Reviewed</i> 30 June 2015 US\$ '000	<i>Audited</i> 31 December 2014 US\$ '000
ASSETS			
Balances with banks and financial institutions		14,453	13,139
Placements with financial institutions		18,445	30,469
Investments at fair value through profit or loss		572	588
Loans and advances	3	130,711	117,014
Available-for-sale investments	4	7,280	8,794
Held-to-maturity investments		228	227
Other assets		2,684	2,613
TOTAL ASSETS		174,373	172,844
LIABILITIES AND EQUITY			
LIABILITIES			
Deposits from financial institutions		125,248	124,778
Deposits from customers		13,971	15,027
Other liabilities		1,388	2,035
Total liabilities		140,607	141,840
EQUITY			
Share capital		60,501	60,501
Accumulated losses		(28,421)	(31,633)
Fair value reserve		1,686	2,136
Total equity		33,766	31,004
TOTAL LIABILITIES AND EQUITY		174,373	172,844



 Wilson S Benjamin
 Chairman



 Sheikh Abdullah A.K Al Sabah
 Vice Chairman



 Ritchie Skelding
 Chief Executive Officer

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements

Bahrain Middle East Bank B.S.C.

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the six-month period ended 30 June 2015 (Reviewed)

	Note	Three-month period ended 30 June		Six-month period ended 30 June	
		2015	2014	2015	2014
		US\$ '000	US\$ '000	US\$ '000	US\$ '000
OPERATING INCOME					
Interest income		2,812	2,395	5,464	4,710
Interest expense		(405)	(309)	(741)	(571)
Net interest income		2,407	2,086	4,723	4,139
Investment banking income	6	489	981	773	1,910
Other income		80	53	173	108
Foreign exchange gain (loss)		23	(53)	104	(58)
Total operating income		2,999	3,067	5,773	6,099
OPERATING EXPENSES					
Staff expenses		760	732	1,532	1,450
Premises expenses		98	143	186	255
Other operating expenses		229	279	535	791
Total operating expenses		1,087	1,154	2,253	2,496
NET PROFIT FOR THE PERIOD BEFORE IMPAIRMENT PROVISIONS					
		1,912	1,913	3,520	3,603
Impairment provisions - net	5	(103)	(1,064)	(308)	(1,231)
NET PROFIT FOR THE PERIOD		1,809	849	3,212	2,372
BASIC AND DILUTED EARNINGS PER SHARE (IN US\$ CENTS)					
		0.75	0.35	1.33	0.98



Wilson S Benjamin
Chairman



Sheikh Abdullah A.K Al Sabah
Vice Chairman



Ritchie Skelding
Chief Executive Officer

Bahrain Middle East Bank B.S.C.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 June 2015 (Reviewed)

	<i>Three-month period ended 30 June</i>		<i>Six-month period ended 30 June</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
NET PROFIT FOR THE PERIOD	1,809	849	3,212	2,372
Other comprehensive (loss) income:				
Other comprehensive (loss) income to be reclassified to profit or loss in subsequent periods:				
Fair value reserves (available-for-sale investments):				
Net amount transferred to statement of income on sale/impairment	(199)	(1,020)	(226)	(1,479)
Net changes in fair value during the period	91	335	(224)	856
Total other comprehensive loss for the period	(108)	(685)	(450)	(623)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,701	164	2,762	1,749

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements

Bahrain Middle East Bank B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2015 (Reviewed)

	Note	Six-month period ended 30 June	
		2015 US\$ '000	2014 US\$ '000
OPERATING ACTIVITIES			
Net profit for the period		3,212	2,372
Adjustments for:			
Impairment provisions - net	5	308	1,231
Depreciation and amortisation		24	38
Changes in operating assets and liabilities:			
Placements with financial institutions		-	5,750
Investments at fair value through profit or loss		16	68
Loans and advances		(13,236)	(11,483)
Available-for-sale investments		295	1,291
Held-to-maturity investments		(1)	4,380
Other assets		(95)	370
Deposits from financial institutions		470	342
Deposits from customers		(1,056)	896
Other liabilities		(647)	144
Net cash (used in) from operating activities		(10,710)	5,399
FINANCING ACTIVITY			
Repayment of borrowings		-	(5,000)
Net cash used in financing activity		-	(5,000)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(10,710)	399
Cash and cash equivalents at 1 January		40,608	37,972
CASH AND CASH EQUIVALENTS AT 30 JUNE		29,898	38,371
CASH AND CASH EQUIVALENTS COMPRISE:			
Balances with banks and financial institutions		14,453	18,322
Placements with financial institutions with original maturities of three months or less		15,445	20,049
		29,898	38,371

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements

Bahrain Middle East Bank B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2015 (Reviewed)

	<i>Share capital</i> US\$ '000	<i>Accumulated losses</i> US\$ '000	<i>Fair value reserve</i> US\$ '000	<i>Total equity</i> US\$ '000
Balance at 1 January 2015	60,501	(31,633)	2,136	31,004
Total comprehensive income (loss) for the period	-	3,212	(450)	2,762
Balance at 30 June 2015	60,501	(28,421)	1,686	33,766
Balance at 1 January 2014	60,501	(36,157)	4,352	28,696
Total comprehensive income (loss) for the period	-	2,372	(623)	1,749
Balance at 30 June 2014	60,501	(33,785)	3,729	30,445

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements

Bahrain Middle East Bank B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2015 (Reviewed)

1 INCORPORATION AND ACTIVITIES

Bahrain Middle East Bank B.S.C. ("the Bank") is a Bahraini Shareholding Company incorporated in the Kingdom of Bahrain. On 9 April 2007, the Central Bank of Bahrain ("the CBB") issued a Conventional Wholesale Banking license to the Bank. The commercial registration ("CR") number of the Bank is 12266. The Bank is listed on the Bahrain Bourse under the ticker 'BMB'. The principal activities of the Bank and its subsidiaries (together "the Group") are trade finance and corporate advisory in the digital media and e-commerce sectors.

The registered office of the Bank is BMB Centre, Building 135, Road 1702, Block 317, Diplomatic Area, Manama, Kingdom of Bahrain.

These interim condensed consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 13 August 2015.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements of the Group for the six-month period ended 30 June 2015 are prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not contain all the information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2014. In addition, results for the six-month period ended 30 June 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

2.2 Basis of consolidation

These interim condensed consolidated financial statements include the financial statements of the Bank and its subsidiaries after elimination of inter company transactions and balances.

2.3 Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014, except for the below mentioned accounting policy for derivatives, and the adoption of new standards and interpretations effective as of 1 January 2015 that are applicable to the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the impact of each new amendment applicable to the Group is described below:

Derivatives

The Group makes use of derivative instruments to manage exposure to foreign currency risk. The Group enters into forward foreign exchange contracts in the foreign exchange markets.

Derivatives are initially recognised and subsequently measured at fair value with transaction costs taken directly to the consolidated statement of income. The fair value of a derivative is the equivalent of the unrealised gain or loss from marking to market the derivative. Derivatives with positive fair values (unrealised gains) are included in other assets and derivatives with negative fair values (unrealised losses) are included in other liabilities in the consolidated statement of financial position.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the consolidated statement of income.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Significant accounting policies (continued)

Annual Improvements 2010-2012 Cycle

These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these interim condensed consolidated financial statements. They include:

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IAS 39. This is consistent with the Group's current accounting policy, and thus this amendment does not impact the Group's accounting policy.

IFRS 8 Operating Segments

The amendments are applied retrospectively and clarify that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

The Group has not applied the aggregation criteria in IFRS 8.12. The Group has presented the reconciliation of segment assets to total assets in previous periods and continues to disclose the same in Note 8 to these interim condensed consolidated financial statements as the reconciliation is reported to the chief operating decision maker for the purpose of his decision making.

IAS 24 Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for the Group as it does not receive any management services from other entities.

3 LOANS AND ADVANCES

	<i>Reviewed</i>	<i>Audited</i>
	<i>30 June</i>	<i>31 December</i>
	<i>2015</i>	<i>2014</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Trade finance	122,504	107,354
Installment sale receivable (refer note 7)	6,533	7,876
Corporate loan	3,000	3,000
Others	212	850
	<u>132,249</u>	<u>119,080</u>
Less: Provision for loan losses	(1,538)	(2,066)
	<u><u>130,711</u></u>	<u><u>117,014</u></u>

The breakup of provision for loan losses is as follows:

	<i>Reviewed</i>	<i>Audited</i>
	<i>30 June</i>	<i>31 December</i>
	<i>2015</i>	<i>2014</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Specific provision	212	850
Collective provision	1,326	1,216
	<u>1,538</u>	<u>2,066</u>

Bahrain Middle East Bank B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2015 (Reviewed)

4 AVAILABLE - FOR - SALE INVESTMENTS

	<i>Reviewed</i> 30 June 2015 US\$ '000	<i>Audited</i> 31 December 2014 US\$ '000
Unquoted equity fund investments	7,043	8,013
Unquoted strategic investments	237	678
Quoted equity investments	-	103
	<u>7,280</u>	<u>8,794</u>

5 IMPAIRMENT PROVISIONS

	<i>30 June 2015 (Reviewed)</i>			
	<i>Loans and advances US\$ '000</i>	<i>Available- for-sale investments US\$ '000</i>	<i>Others US\$ '000</i>	<i>Total US\$ '000</i>
At 1 January 2015	2,066	14,554	-	16,620
Charge for the period	110	769	-	879
Reversal on recovery	(571)	-	-	(571)
Written-off	-	(698)	-	(698)
Foreign exchange movements	(67)	(93)	-	(160)
At 31 June 2015	<u>1,538</u>	<u>14,532</u>	<u>-</u>	<u>16,070</u>
	<i>30 June 2014 (Reviewed)</i>			
	<i>Loans and advances US\$ '000</i>	<i>Available- for-sale investments US\$ '000</i>	<i>Others US\$ '000</i>	<i>Total US\$ '000</i>
At 1 January 2014	1,077	16,018	1,907	19,002
Charge for the period	439	792	-	1,231
Written-off	-	(82)	(1,907)	(1,989)
Foreign exchange movements	1	7	-	8
At 31 June 2014	<u>1,517</u>	<u>16,735</u>	<u>-</u>	<u>18,252</u>
At 31 December 2014	<u>2,066</u>	<u>14,554</u>	<u>-</u>	<u>16,620</u>

6 INVESTMENT BANKING INCOME

	<i>Reviewed</i> 30 June 2015 US\$ '000	<i>Reviewed</i> 30 June 2014 US\$ '000
Gain from available-for-sale investments - net	336	1,595
Fee and commission income	453	602
Loss from investments at fair value through profit or loss	(16)	(68)
Net loss on sale of held-to-maturity investment	-	(219)
	<u>773</u>	<u>1,910</u>

Bahrain Middle East Bank B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2015 (Reviewed)

7 RELATED PARTY TRANSACTIONS AND BALANCES

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 Bank exercises significant influence, major shareholders, directors, key management personnel of the Bank and entities owned, controlled, jointly controlled or significantly influenced by such parties.

Key management personnel of the Group are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel comprise the Board of Directors, Chief Executive Officer, Chief Financial Officer and Heads of Departments. Transactions entered during the period and balances at the period-end are set out below.

All related party transactions are on terms equivalent to arm's length transactions and are approved by the Board of Directors.

	<i>Key management</i>		<i>Other related parties</i>	
	<i>Reviewed</i> <i>30 June</i> <i>2015</i> <i>US\$ '000</i>	<i>Audited</i> <i>31 December</i> <i>2014</i> <i>US\$ '000</i>	<i>Reviewed</i> <i>30 June</i> <i>2015</i> <i>US\$ '000</i>	<i>Audited</i> <i>31 December</i> <i>2014</i> <i>US\$ '000</i>
Assets				
Loans	4	9	-	-
Liabilities				
Deposits	-	-	167	149
Other liabilities - employee leaving indemnity	182	35	-	-

Key management compensation

Compensation to key management personnel, including directors, included in the consolidated statement of income is as follows:

	<i>Reviewed</i> <i>30 June</i> <i>2015</i> <i>US\$ '000</i>	<i>Reviewed</i> <i>30 June</i> <i>2014</i> <i>US\$ '000</i>
Salaries and other short-term employee benefits	841	1,122
Employee leaving indemnity	14	17
	855	1,139
Directors' fees	51	39

Guarantee

The Bank has received a corporate guarantee from a shareholder with regard to the Bank's installment sale receivable, and an additional guarantee from an associate of the shareholder. This additional guarantee is secured by real estate in the Arab Republic of Egypt (registration of the security is in process).

8 SEGMENT RESULTS

Segment information

For management purposes, the Group is organised into three major business segments:

Financing	- Financing and trade finance
Investing	- Investments in listed bonds, equities and private equity funds
Other operating segments	- Corporate advisory and building management etc.

The Group's business segments are broken down by key business activities and those with clearly identifiable revenue streams and expenses. The segmentation is in line with segments internally reported to the Chief Executive Officer, who is the chief decision maker.

Segment information for the period ended 30 June 2015 is as follows:

	<i>Six-month period ended 30 June 2015 (Reviewed)</i>			
	<i>Financing</i>	<i>Investing</i>	<i>Others</i>	<i>Total</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
Interest income	5,463	1	-	5,464
Interest expense	(741)	-	-	(741)
Investment banking income	-	320	453	773
Other income	-	-	173	173
Foreign exchange gain	-	-	104	104
Results from operations	4,722	321	730	5,773
Impairment provisions - net (note 5)	461	(769)	-	(308)
Unallocated corporate expenses	-	-	-	(2,253)
Net profit (loss) for the period	5,183	(448)	730	3,212
Reportable segment assets	165,719	8,080	574	174,373
Reportable segment liabilities	139,596	-	1,011	140,607
Equity	-	-	-	33,766
Total liabilities and equity				174,373

	<i>Six-month period ended 30 June 2014 (Reviewed)</i>			
	<i>Financing</i>	<i>Investing</i>	<i>Others</i>	<i>Total</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
Interest income	4,517	193	-	4,710
Interest expense	(571)	-	-	(571)
Investment banking income	-	1,308	602	1,910
Other income	-	-	108	108
Foreign exchange loss	-	-	(58)	(58)
Results from operations	3,946	1,501	652	6,099
Impairment provisions - net	(439)	(792)	-	(1,231)
Unallocated corporate expenses	-	-	-	(2,496)
Net profit for the period	3,507	709	652	2,372
Reportable segment assets	150,422	15,054	2,156	167,632
Reportable segment liabilities	125,293	-	11,894	137,187
Equity	-	-	-	30,445
Total liabilities and equity				167,632

9 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group's financial instruments are accounted for under the historical cost convention except for the measurement at fair value of investments at fair value through profit or loss and available-for-sale investments. Fair value is the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between the book amounts and the fair value estimates.

Fair value hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Valuation techniques based on observable inputs, either directly or indirectly. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 - Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation (i.e. net asset value received from administrator / fund managers).

This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

The following table shows the carrying amounts and fair values of financial instruments, including their levels in the fair value hierarchy. It does not include fair value information for financial instruments not measured at fair value if the carrying amount is a reasonable approximation of fair value:

	<i>Six-month period ended 30 June 2015 (Reviewed)</i>				<i>Total carrying amount</i>
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total fair values</i>	
	<i>US\$</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
<i>Financial assets measured at fair value</i>					
Investments at fair value through profit or loss	251	-	321	572	572
Available-for-sale investments	-	-	7,280	7,280	7,280
Derivative financial instruments	-	1	-	1	1
<i>Financial assets not measured at fair value</i>					
Held-to-maturity investments	-	-	183	183	228

Bahrain Middle East Bank B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2015 (Reviewed)

9 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	31 December 2014 (Audited)				
	Level 1	Level 2	Level 3	Total fair	carrying
	US\$	US\$ '000	US\$ '000	values	amount
	US\$	US\$ '000	US\$ '000	US\$ '000	US\$ '000
<i>Financial assets measured at fair value</i>					
Investments at fair value through profit or loss	250	-	338	588	588
Available-for-sale investments	103	-	8,691	8,794	8,794
<i>Financial assets not measured at fair value</i>					
Held-to-maturity investments	-	-	183	183	227

Management has assessed that the fair values of financial assets comprising of balances with banks and financial institutions, placements with financial institutions, loans and advances and other assets, and financial liabilities comprising of deposits from financial institutions, deposits from customers and other liabilities approximate their carrying amounts.

For held-to-maturity investments, fair value is lower than the carrying amount; however this shortfall in fair value is not relevant except in a forced sale situation since the Bank has the intention to hold held-to-maturity investments until maturity when it would recover full nominal amounts.

The fair value of held-to-maturity investments is based on last quoted market prices at the reporting date or on the present value of future cash flows.

Movements in level 3 fair value hierarchy of investments:

	Reviewed 30 June 2015 US\$ '000	Audited 31 December 2014 US\$ '000
At 1 January	9,029	17,170
Net fair value movement	(240)	854
Additions	102	878
Exits (at cost)	(337)	(5,060)
Fair value transferred to statement of income on disposals / impairment	(953)	(4,813)
	7,601	9,029

Level 3 available-for-sale investments represent private equity funds where the underlying fund managers exercise judgements in valuation of investments.

During the period, there were no transfers between Level 1 and Level 2 fair value hierarchy, and no transfers into and out of Level 3 fair value hierarchy.

10 DERIVATIVE FINANCIAL INSTRUMENTS

In the ordinary course of business the Group enters into various types of transactions that involve derivative financial instruments. The Group uses forward currency contracts to manage some of its foreign currency exposures. These currency forward contracts are not designated as cash flow, fair value or net investment in foreign operations hedges and are entered into for periods consistent with currency transaction exposures.

The table below shows the fair values of the derivative financial instruments together with the notional amounts:

	<u>30 June 2015 (Reviewed)</u>		<u>31 December 2014 (Audited)</u>	
	<i>Notional amounts</i>	<i>Fair value</i>	<i>Notional amounts</i>	<i>Fair value</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
<i>Derivatives held for trading:</i>				
Forward foreign exchange contracts	516	1	-	-

11 COMMITMENTS AND CONTINGENT LIABILITIES

The outstanding commitments and contingent liabilities of the Bank are as follows:

	<i>Reviewed</i>	<i>Audited</i>
	<i>30 June</i>	<i>31 December</i>
	<i>2015</i>	<i>2014</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Undrawn investment commitments in equity funds	5,879	6,079
Other commitments	2,579	2,579
Funds under management	18,077	14,215