

**Gulf Investment House K.S.C.P. and
Subsidiaries**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION**

30 JUNE 2016 (UNAUDITED)



Building a better
working world

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF GULF INVESTMENT HOUSE K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Gulf Investment House K.S.C.P. (the "Parent Company") and its subsidiaries (the "Group") as at 30 June 2016 and the related interim condensed consolidated statement of income and interim condensed consolidated statement of comprehensive income for the three months and six months periods then ended and the related interim condensed consolidated statement of cash flows and interim condensed consolidated statement of changes in equity for the six months period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with basis of presentation set out in Note 2. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim condensed 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 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 interim condensed consolidated financial information is not prepared, in all material respects, in accordance with the basis of presentation set out in Note 2.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, and its Executive Regulations, or of the Parent Company's Articles of Association and Memorandum of Incorporation, as amended, during the six months period ended 30 June 2016 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business, and its related regulations, or of the provisions of Law No 7 of 2010 concerning the Capital Markets Authority and its related regulations during the six months period ended 30 June 2016 that might have had a material effect on the business of the Parent Company or on its financial position.

WALEED A. AL OSAIMI
LICENCE NO. 68 A
EY
AL AIBAN AL OSAIMI & PARTNERS

MOHAMMED HAMED AL SULTAN
LICENSE NO. 100 A
AL SULTAN AND PARTNERS
MEMBER OF BAKER TILLY INTERNATIONAL

Gulf Investment House K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

(UNAUDITED)

For the period ended 30 June 2016

	Notes	Three months ended 30 June		Six months ended 30 June	
		2016 KD	2015 KD	2016 KD	2015 KD
INCOME					
Unrealised gain (loss) on financial assets at fair value through profit or loss	5	1,177	35,744	(49,723)	(29,702)
Realised gain on sale of financial assets available for sale		-	23,483	-	23,483
Share of results of associates	6	381,660	(2,063,515)	1,255,387	(1,320,713)
Change in fair value of investment properties		-	(1,442,581)	-	(1,442,581)
Dividend income		6,023	21,057	6,023	21,565
Other income		1,987	25,223	64,668	38,523
TOTAL INCOME		390,847	(3,400,589)	1,276,355	(2,709,425)
EXPENSES					
Administrative expenses		(49,997)	(73,015)	(93,738)	(120,126)
Staff cost		(114,422)	(124,761)	(228,879)	(246,538)
Foreign exchange (loss) gain		(151)	20,030	(11,009)	19,982
Impairment loss on financial assets available for sale		(131,264)	(2,178,837)	(654,978)	(2,201,830)
Impairment loss on investment in associates		-	(248,779)	-	(248,779)
Murabaha charges		(363,597)	(456,275)	(513,412)	(882,740)
Investment expenses		(23,279)	(41,068)	(52,662)	(88,779)
TOTAL EXPENSES		(682,710)	(3,102,705)	(1,554,678)	(3,768,810)
LOSS FOR THE PERIOD		(291,863)	(6,503,294)	(278,323)	(6,478,235)
Attributable to:					
Equity holders of the Parent Company		(291,863)	(6,421,005)	(278,323)	(6,395,946)
Non-controlling interest		-	(82,289)	-	(82,289)
		(291,863)	(6,503,294)	(278,323)	(6,478,235)
Basic and diluted loss per share attributable to equity holders of the Parent Company (fils)					
	3	(1.78)	(39.89)	(1.69)	(39.74)

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

Gulf Investment House K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UNAUDITED)

For the period ended 30 June 2016

	<i>Three months ended</i> <i>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
	<i>2016</i> <i>KD</i>	<i>2015</i> <i>KD</i>	<i>2016</i> <i>KD</i>	<i>2015</i> <i>KD</i>
LOSS FOR THE PERIOD	(291,863)	(6,503,294)	(278,323)	(6,478,235)
Other comprehensive income:				
<i>Items that are or may be reclassified</i> <i>subsequently to consolidated statement</i> <i>of income:</i>				
Financial assets available for sale				
- Net change in fair values	132,341	(639,811)	(414,919)	(690,761)
- Transfer to interim condensed consolidated statement of income on sale of financial assets available for sale	-	(23,483)	-	(23,483)
- Transfer to interim condensed consolidated statement of income on impairment	131,264	1,267,743	654,978	1,290,736
Share of other comprehensive income of associates	(8,084)	51,910	(12,878)	251,722
Foreign currency translation adjustments	9,751	50,081	(18,414)	113,195
Other comprehensive income for the period	265,272	706,440	208,767	941,409
Total comprehensive loss for the period	(26,591)	(5,796,854)	(69,556)	(5,536,826)
Attributable to:				
Equity holders of the Parent Company	(25,635)	(5,795,672)	(67,134)	(5,457,434)
Non-controlling interests	(956)	(1,182)	(2,422)	(79,392)
	(26,591)	(5,796,854)	(69,556)	(5,536,826)

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

Gulf Investment House K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2016

		(Audited)	
	30 June	31 December	30 June
	2016	2015	2015
	KD	KD	KD
Notes			
ASSETS			
Bank balances and short-term deposits	4	2,224,436	4,994,900
Financial assets at fair value through profit or loss	5	562,409	612,132
Financial assets available for sale		6,112,565	5,587,825
Investment in associates	6	33,504,080	32,874,936
Investment properties		3,435,554	3,453,969
Other assets		94,104	121,237
TOTAL ASSETS		45,933,148	47,644,999
EQUITY AND LIABILITIES			
Equity			
Share capital		16,420,244	16,420,244
Statutory reserve		343,089	343,089
Cumulative changes in fair values		1,282,764	1,055,583
Foreign currency translation reserve		(104,029)	(88,037)
Treasury shares	7	-	-
Accumulated losses		(7,992,718)	(7,714,395)
Equity attributable to equity holders of the Parent Company		9,949,350	10,016,484
Non-controlling interests		138,722	141,144
TOTAL EQUITY		10,088,072	10,157,628
Liabilities			
Murabaha payables	8	34,830,114	36,390,900
Other liabilities		1,014,962	1,096,471
TOTAL LIABILITIES		35,845,076	37,487,371
TOTAL EQUITY AND LIABILITIES		45,933,148	47,644,999

Talal Khaled Al-Nesef
Chairman

Bashar N. Al-Tuwajjri
Chief Executive Officer

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

Gulf Investment House K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

For the period ended 30 June 2016

	Notes	Six months ended 30 June	
		2016 KD	2015 KD
OPERATING ACTIVITIES			
Loss for the period		(278,323)	(6,478,235)
<i>Non-cash adjustment to reconcile loss for the period to net cash flows:</i>			
Depreciation		549	458
Share of results of associates	6	(1,255,387)	1,320,713
Dividend income		(6,023)	(21,565)
Realised gain on sale of financial asset available for sale		-	(23,483)
Change in fair value of investment properties		-	1,442,581
Impairment loss on financial assets available for sale		654,978	2,201,830
Impairment loss on investment in associates		-	248,779
Murabaha charges		513,412	882,740
<i>Changes in operating assets and liabilities:</i>			
Financial assets at fair value through profit or loss		49,723	42,132
Other assets		79,245	448,953
Other liabilities		(72,417)	(31,536)
Net cash flows (used in) from operating activities		(314,243)	33,367
INVESTING ACTIVITIES			
Purchase of furniture and equipment		-	(3,295)
Capital redemption of financial assets available for sale		12,360	-
Addition in financial assets available for sale		(1,004,685)	-
Dividends received from Associates		613,365	647,731
Dividends received from others		6,023	21,565
Net cash flows (used in) from investing activities		(372,937)	666,001
FINANCING ACTIVITIES			
Dividends paid		(9,086)	(3,180)
Sale of treasury shares		-	233,431
Repayment of murabaha payables		(1,440,569)	-
Murabaha charges paid		(633,629)	(634,932)
Net movement in restricted bank accounts		9,086	3,180
Net cash flows used in financing activities		(2,074,198)	(401,501)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(2,761,378)	297,867
Cash and cash equivalents at beginning of the period		4,839,351	3,160,025
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	4	2,077,973	3,457,892

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

Gulf Investment House K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 June 2016

	Share capital KD	Statutory reserve KD	Cumulative changes in fair values KD	Foreign currency translation reserve KD	Treasury shares KD	Treasury shares reserve KD	Accumulated losses KD	Sub-total KD	Non-controlling interests KD	Total equity KD
As at 1 January 2016	16,420,244	343,089	1,055,583	(88,037)	-	-	(7,714,395)	10,016,484	141,144	10,157,628
Loss for the period	-	-	-	-	-	-	(278,323)	(278,323)	-	(278,323)
Other comprehensive income (loss)	-	-	227,181	(15,992)	-	-	-	211,189	(2,422)	208,767
Total comprehensive income (loss) for the period	-	-	227,181	(15,992)	-	-	(278,323)	(67,134)	(2,422)	(69,556)
As at 30 June 2016	16,420,244	343,089	1,282,764	(104,029)	-	-	(7,992,718)	9,949,350	138,722	10,088,072
As at 1 January 2015	16,420,244	2,041,720	(149,468)	(146,770)	(2,982,298)	940,578	(1,628,918)	14,495,088	231,854	14,726,942
Loss for the period	-	-	-	-	-	-	(6,395,946)	(6,395,946)	(82,289)	(6,478,235)
Other comprehensive income	-	-	828,214	110,298	-	-	-	938,512	2,897	941,409
Total comprehensive income (loss) for the period	-	-	828,214	110,298	-	-	(6,395,946)	(5,457,434)	(79,392)	(5,536,826)
Sale of treasury shares	-	(566,504)	-	-	1,740,513	(940,578)	-	233,431	-	233,431
As at 30 June 2015	16,420,244	1,475,216	678,746	(36,472)	(1,241,785)	-	(8,024,864)	9,271,085	152,462	9,423,547

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

30 June 2016

1 CORPORATE INFORMATION

This interim condensed consolidated financial information of Gulf Investment House K.S.C.P. (the "Parent Company") and its subsidiaries (the "Group") for the period ended 30 June 2016 were authorised for issue in accordance with a resolution of the Board of Directors on 21 August 2016.

The Parent Company is a listed public Kuwaiti shareholding company registered and incorporated in State of Kuwait on 8 September 1998 under the Commercial Companies Law. The Parent Company is registered with the Central Bank of Kuwait and Capital Markets Authority as an investment company.

The new Companies Law No 1 of 2016 was issued on 24 January 2016 and was published in Official Gazette on 1 February 2016 which cancelled the Companies Law No 25 of 2012, and its amendments. According to Article No 5, the new law will be effective retrospectively from 26 November 2012. The new Executive Regulations of Law No. 1 of 2016 was issued on 12 July 2016 and was published in the Official Gazette on 17 July 2016 which cancelled the Executive Regulations of Law No. 25 of 2012.

The Group is primarily engaged in investment activities and related financial and advisory services. All activities of the Group are carried out in compliance with the Noble Islamic Sharee'a, as approved by the Parent Company's Fatwa and Sharee'a Supervisory Board.

The Parent Company's registered head office is at Dar Al-Awadi Tower, Sharq, Kuwait City, P.O. Box 28808, 13149 Safat, Kuwait.

The Annual General Assembly for the year ended 31 December 2015 has not been held until the date of approval of this interim condensed consolidated financial information. Accordingly, the consolidated financial statements for the year ended 31 December 2015 have not yet been approved. The interim condensed consolidated financial information for the six months period ended 30 June 2016 do not include any adjustments, which might have been required, should the General Assembly not approve the consolidated financial statements for the year ended 31 December 2015.

2 BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The interim condensed consolidated financial information of the Group is prepared in accordance with IAS 34, "Interim Financial Reporting", except as noted below.

The audited consolidated financial statements for the year ended 31 December 2015 were prepared in accordance with the regulations of the State of Kuwait for financial services institutions regulated by the Central Bank of Kuwait. These regulations require adoption of all International Financial Reporting Standards (IFRS) except for the IAS 39 requirement for collective impairment provision, which has been replaced by the Central Bank of Kuwait's requirement for a minimum general provision made on all applicable credit facilities (net of certain categories of collateral) that are not provided specifically.

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2015, except for the adoption of the amendments and annual improvements to IFRSs, relevant to the Group which are effective for annual reporting period starting from 1 January 2016 and did not result in any material impact on the accounting policies, financial position or performance of the Group.

The interim condensed consolidated financial information does not contain all information and disclosures required for full financial information prepared in accordance with the International Financial Reporting Standards, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2015. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. Operating results for the period ended 30 June 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

30 June 2016

3 BASIC AND DILUTED LOSS PER SHARE

Basic and diluted loss per share is computed by dividing the loss for the period attributable to equity holders of the Parent Company by the weighted average number of shares of the Parent Company, less treasury shares, outstanding during the period.

The following reflects the loss and share data used in the basic and diluted loss per share computations:

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Loss for the period attributable to equity holders of the Parent Company	(291,863)	(6,421,005)	(278,323)	(6,395,946)
	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>
Weighted average number of shares for basic and diluted loss per share (excluding treasury shares)	164,202,440	160,952,440	164,202,440	160,952,440
	<i>Fils</i>	<i>Fils</i>	<i>Fils</i>	<i>Fils</i>
Basic and diluted loss per share attributable to equity holders of the Parent Company	(1.78)	(39.89)	(1.69)	(39.74)

As there are no dilutive instruments outstanding, basic and diluted loss per share are identical.

4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the interim condensed consolidated statement of cash flows include the following amounts:

	<i>30 June</i>	<i>(Audited)</i> <i>31 December</i>	<i>30 June</i>
	<i>2016</i>	<i>2015</i>	<i>2015</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Bank balances and short-term deposits	2,224,436	4,994,900	3,648,625
Less: balances in restricted bank accounts	(146,463)	(155,549)	(190,733)
	2,077,973	4,839,351	3,457,892

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<i>30 June</i>	<i>(Audited)</i> <i>31 December</i>	<i>30 June</i>
	<i>2016</i>	<i>2015</i>	<i>2015</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Designated at fair value through profit or loss:</i>			
Quoted securities	292,498	287,019	339,129
Unquoted securities	245,159	300,361	329,918
Unquoted funds managed by external fund managers	24,752	24,752	66,446
	562,409	612,132	735,493

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

30 June 2016

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Unrealised gain (loss) is analysed as follows:

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	2016	2015	2016	2015
	KD	KD	KD	KD
<i>Designated at fair value through profit or loss:</i>				
Quoted securities	5,474	(22,906)	5,480	(54,808)
Unquoted securities	(4,297)	59,030	(55,203)	23,869
Unquoted funds managed by external fund managers	-	(380)	-	1,237
	1,177	35,744	(49,723)	(29,702)

Fair values of certain unquoted securities are determined using valuation techniques that are not based on observable market prices or rates (Note 11).

6 INVESTMENT IN ASSOCIATES

	<i>30 June</i>	<i>(Audited)</i>	<i>30 June</i>
	2016	<i>31 December</i>	<i>30 June</i>
	KD	<i>2015</i>	<i>2015</i>
		KD	KD
<i>Carrying amount of investment in associates</i>			
Balance at the beginning of the period	32,874,936	34,898,754	34,898,754
Addition	-	287,818	-
Capital redemption	-	(801,935)	(88,130)
Share of results	1,255,387	(1,006,407)	(1,320,713)
Share of other comprehensive income	(12,878)	630,003	251,722
Impairment	-	(248,779)	(248,779)
Dividends	(613,365)	(884,518)	(647,731)
Balance at the end of the period	33,504,080	32,874,936	32,845,123

7 TREASURY SHARES

	<i>30 June</i>	<i>(Audited)</i>	<i>30 June</i>
	2016	<i>31 December</i>	<i>2015</i>
		<i>2015</i>	
Number of treasury shares	-	-	3,250,000
Percentage of issued shares	-	-	1.98%
Cost (KD)	-	-	1,241,785
Market value (KD)	-	-	162,500
Weighted average market value per share (fils)	-	-	55

8 MURABAHA PAYABLES

During the period, the Group has successfully rescheduled its murabaha facilities with a financial institution which is also a related party. Under the rescheduled agreement, the terms of repayment have been extended over a period of 5 years up to 2021.

The Group expects to incur murabaha charges amounting to KD 904,045 until 31 December 2016, taking into consideration the remaining outstanding principal amount, the remaining period of the facility and the CBK discount rate.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

30 June 2016

9 RELATED PARTY TRANSACTIONS

These represent transactions with associates, major shareholders, directors and executive officers of the Parent Company and entities controlled, jointly controlled or significantly influenced by such parties. The Parent Company's management approves pricing policies and terms of these transactions. Significant transactions with Group's related parties included are as follows:

Balances with related parties included in the interim condensed consolidated statement of financial position are as follows:

	<i>Major shareholders KD</i>	<i>30 June 2016 KD</i>	<i>(Audited) 31 December 2015 KD</i>	<i>30 June 2015 KD</i>
Bank balances	65,718	65,718	76,938	86,186
Murabaha payables	34,830,114	34,830,114	36,390,900	36,791,212

Transactions with related parties included in the interim condensed consolidated statement of income are as follows:

	<i>Major shareholders KD</i>	<i>Six months ended 30 June</i>	
		<i>2016 KD</i>	<i>2015 KD</i>
Murabaha charges	513,412	513,412	882,740

Key management compensation:

	<i>Six months ended 30 June</i>	
	<i>2016 KD</i>	<i>2015 KD</i>
Salaries and other short-term benefits	61,056	59,256
Terminal benefits	2,004	1,995
	<u>63,060</u>	<u>61,251</u>

10 SEGMENT INFORMATION

For management purposes, the Group is organised into three main business segments based on internal reporting provided to the chief operating decision maker:

- Islamic financing : Providing a range of Islamic products to corporate customers;
Investment : Managing direct investments and investments in subsidiaries and associates; and
Real estate : Managing trading and investment properties.

	<i>Investment KD</i>	<i>Real estate KD</i>	<i>Unallocated KD</i>	<i>Total KD</i>
Six months ended 30 June 2016				
Segment income	1,211,687	-	64,668	1,276,355
Segment result	(9,364)	-	(268,959)	(278,323)
As at 30 June 2016				
Segment assets	42,495,703	3,435,554	1,891	45,933,148
Segment liabilities	34,830,114	-	1,014,962	35,845,076

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

30 June 2016

10 SEGMENT INFORMATION (continued)

	<i>Investment KD</i>	<i>Real estate KD</i>	<i>Unallocated KD</i>	<i>Total KD</i>
Six months ended 30 June 2015				
Segment income	(1,305,366)	(1,442,581)	38,522	(2,709,425)
Segment result	(3,816,401)	(1,442,581)	(1,219,253)	(6,478,235)
As at 30 June 2015				
Segment assets	43,573,705	3,699,216	2,994	47,275,915
Segment liabilities	36,791,212	-	1,061,156	37,852,368

There were no activities or any related assets or liabilities recorded under the Islamic Financing segment in the current period. (31 December 2015: KD Nil and 30 June 2015: KD Nil)

11 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in orderly transactions between market participants at the measurement date. As at the reporting date, the fair values of financial instruments, with the exception of certain financial assets available for sale carried at cost amounting to KD 526,965 (31 December 2015: KD 526,965 and 30 June 2015: KD 814,781), are not materially different from their carrying values.

Determination of fair value and fair value hierarchy:

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

Level 1: quoted prices in active market for the same instrument;

Level 2: quoted prices in active market for similar instruments or other valuation techniques for which all significant inputs are based on observable market data ; and

Level 3: valuation techniques for which any significant input is not based on observable market data.

following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

30 June 2016	<i>Level: 1 KD</i>	<i>Level: 3 KD</i>	<i>Total fair value KD</i>
<i>Financial assets at fair value through profit or loss:</i>			
- Quoted securities	292,499	-	292,499
- Unquoted securities	-	245,159	245,159
- Unquoted funds managed by external fund managers	-	24,751	24,751
	<u>292,499</u>	<u>269,910</u>	<u>562,409</u>
<i>Financial assets available for sale:</i>			
- Quoted investments	924,086	-	924,086
- Unquoted investments	-	4,232,478	4,232,478
- Unquoted funds managed by external fund managers	-	429,036	429,036
	<u>924,086</u>	<u>4,661,514</u>	<u>5,585,600</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

30 June 2016

11 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

31 December 2015	<i>Level: 1</i> <i>KD</i>	<i>Level: 3</i> <i>KD</i>	<i>Total fair value</i> <i>KD</i>
<i>Financial assets at fair value through profit or loss</i>			
- Quoted equity securities	287,019	-	287,019
- Unquoted equity securities	-	300,362	300,362
- Unquoted funds	-	24,751	24,751
	<u>287,019</u>	<u>325,113</u>	<u>612,132</u>
<i>Financial assets available for sale:</i>			
- Unquoted equity securities	-	4,563,961	4,563,961
- Unquoted funds	-	496,899	496,899
	<u>-</u>	<u>5,060,860</u>	<u>5,060,860</u>
30 June 2015	<i>Level: 1</i> <i>KD</i>	<i>Level: 3</i> <i>KD</i>	<i>Total fair value</i> <i>KD</i>
<i>Financial assets at fair value through profit or loss:</i>			
- Quoted securities	339,129	-	339,129
- Unquoted securities	-	329,918	329,918
- Unquoted funds managed by external fund managers	-	66,446	66,446
	<u>339,129</u>	<u>396,364</u>	<u>735,493</u>
<i>Financial assets available for sale:</i>			
- Unquoted investments	-	4,494,694	4,494,694
- Unquoted funds managed by external fund managers	-	917,507	917,507
	<u>-</u>	<u>5,412,201</u>	<u>5,412,201</u>

There were no transfers between fair value hierarchies during the period ended 30 June 2016.

Gulf Investment House K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
30 June 2016

11 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

Movement in Level 3 financial instrument is as follows:

30 June 2016:

Assets measured at fair value

Financial assets at fair value through profit or loss:

- Unquoted equity securities
- Unquoted funds

Financial assets available for sale:

- Unquoted equity securities
- Unquoted funds

	At 1 January KD	Transfer from carried at cost KD	Unrealised loss recorded in the interim consolidated statement of income KD	Unrealised loss recorded in interim condensed statement of comprehensive income KD	Impairment recorded in interim consolidated statement of income KD	Redemption/ Net sales KD	At 30 June KD
	300,362	-	(55,203)	-	-	-	245,159
	24,751	-	-	-	-	-	24,751
	4,563,961	-	-	(15,848)	(315,635)	-	4,232,478
	496,899	-	-	(2,837)	-	(65,026)	429,036
	<u>5,385,973</u>	<u>-</u>	<u>(55,203)</u>	<u>(18,685)</u>	<u>(315,635)</u>	<u>(65,026)</u>	<u>4,931,424</u>

30 June 2015:

Assets measured at fair value

Financial assets at fair value through profit or loss:

- Unquoted equity securities
- Unquoted funds

Financial assets available for sale:

- Unquoted equity securities
- Unquoted funds

	306,049	-	23,869	-	-	-	329,918
	77,638	-	1,237	-	-	(12,429)	66,446
	4,872,567	137,383	-	606,749	(1,122,005)	-	4,494,694
	665,259	427,754	-	(6,775)	(168,731)	-	917,507
	<u>5,921,513</u>	<u>565,137</u>	<u>25,106</u>	<u>599,974</u>	<u>(1,290,736)</u>	<u>(12,429)</u>	<u>5,808,565</u>