

Liquidity Management Centre B.S.C. (c)

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

31 MARCH 2017 (REVIEWED)



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REVIEW REPORT TO THE BOARD OF DIRECTORS OF LIQUIDITY MANAGEMENT CENTRE B.S.C. (c)

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Liquidity Management Centre B.S.C. (c) (the "Bank") and its subsidiary (the "Group") as at 31 March 2017, comprising of the interim consolidated statement of financial position as at 31 March 2017 and the related interim consolidated statements of income, cash flows and changes in owners' equity for the three-month period then ended and other explanatory information. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the accounting policies disclosed in note 2. 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 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 statements are not prepared, in all material respects, in accordance with the accounting policies set out in note 2.

7 May 2017

Manama, Kingdom of Bahrain

Liquidity Management Centre B.S.C. (c)

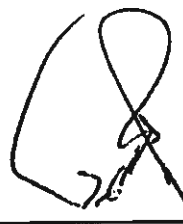
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2017 (Reviewed)

		<i>Reviewed</i> 31 March 2017 US\$ '000	<i>Audited</i> 31 December 2016 US\$ '000
	<i>Note</i>		
ASSETS			
Cash and balances with banks		2,627	2,079
Due from banks		1,500	8,500
Mudaraba receivables		10,505	5,022
Financing receivables		7,362	7,362
Investment in sukuks	3	79,647	73,548
Investment in equities and funds	3	5,921	5,924
Investment in real estate	4	28,086	28,265
Equipment		143	145
Other assets		1,855	1,887
TOTAL ASSETS		137,646	132,732
LIABILITIES AND OWNERS' EQUITY			
Liabilities			
Due to short term sukuk investors and banks		80,799	76,046
Staff payables		4,016	3,923
Other liabilities		644	739
Total liabilities		85,459	80,708
Owners' Equity			
Share capital	6	59,039	59,039
Reserves		8,355	8,355
Accumulated deficit		(15,207)	(15,370)
Total owners' equity		52,187	52,024
TOTAL LIABILITIES AND OWNERS' EQUITY		137,646	132,732


Mohammed Hassan
Chairman


Nawaf Al-Menayekh
Director

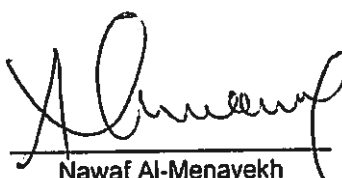

Ahmed Abbas
Chief Executive Officer

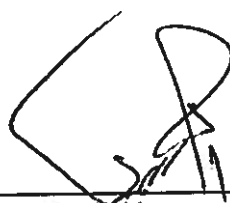
The attached explanatory notes 1 to 11 form part of these interim condensed consolidated financial statements.

Liquidity Management Centre B.S.C. (c)
INTERIM CONSOLIDATED STATEMENT OF INCOME
For the three months ended 31 March 2017 (Reviewed)

	Note	Three months ended	
		31 March	
		2017	2016
		US\$ '000	US\$ '000
Income (loss) from:			
Investment in sukuk	7	936	1,365
Investment in equities and funds		19	(56)
Due from banks		18	22
Financing receivables		133	77
Mudaraba receivables		12	20
Less: Return to short term sukuk investors and banks		(368)	(493)
		750	935
Investment banking fees		68	11
Ijarah income		390	387
Foreign exchange gain		22	3
Other income		27	253
OPERATING INCOME		1,257	1,589
Staff costs		670	747
General and administrative expenses	8	210	276
Depreciation		181	181
OPERATING EXPENSES		1,061	1,204
NET PROFIT FOR THE PERIOD BEFORE IMPAIRMENT PROVISION		196	385
Impairment provision	5	(33)	(2,557)
NET PROFIT (LOSS) FOR THE PERIOD		163	(2,172)


Mohammed Hassan
Chairman


Nawaf Al-Menayekh
Director


Ahmed Abbas
Chief Executive Officer

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

Liquidity Management Centre B.S.C. (c)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2017 (Reviewed)

	Note	Three months ended	
		31 March	
		2017	2016
		US\$ '000	US\$ '000
OPERATING ACTIVITIES			
Net profit (loss) for the period		163	(2,172)
Adjustments for:			
Depreciation		181	181
Amortisation of (discount) premium on investments		3	(40)
Net gain on investments at fair value through statement of income		-	(255)
Net loss on liquidation of investments at fair value through equity		-	318
Net gain from sale of investments at amortised cost	7	(22)	(288)
Impairment provision - net		33	2,557
Operating profit before changes in operating assets and liabilities		358	301
Changes in:			
Mudaraba receivables		(5,483)	(19)
Other assets		32	13
Due to short term sukuk investors and banks		4,753	(6,776)
Staff payables		93	16
Other liabilities		(95)	27
Purchase of investments at amortised cost		(8,507)	-
Sale proceeds of investments at amortised cost		2,394	10,443
Capital redemption / sale of investments at fair value through equity		3	1,235
Net cash (used in) from operating activities		(6,452)	5,240
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(6,452)	5,240
Cash and cash equivalents at 1 January		10,579	27,451
CASH AND CASH EQUIVALENTS AT 31 MARCH		4,127	32,691
Cash and cash equivalents comprise:			
Cash and balances with banks		2,627	6,191
Due from banks with original maturity of 90 days or less		1,500	26,500
		4,127	32,691

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

Liquidity Management Centre B.S.C. (c)
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
For the three months ended 31 March 2017 (Reviewed)

	Reserves					Total owners' equity US\$ '000
	Share capital US\$ '000	Statutory reserve US\$ '000	General reserve US\$ '000	Investment fair value reserve US\$ '000	Total reserves US\$ '000	
Balance at 1 January 2017	59,039	3,669	2,226	2,460	8,355	52,024
Net profit for the period	-	-	-	-	-	163
Total income recognised directly in equity						163
Balance at 31 March 2017	59,039	3,669	2,226	2,460	8,355	52,187
Balance at 1 January 2016	56,228	3,669	2,226	3,799	9,694	70,967
Cumulative changes in fair value - net	-	-	-	(471)	(471)	(471)
Net loss for the period	-	-	-	-	-	(2,172)
Total loss recognised directly in equity						(2,643)
Balance at 31 March 2016	56,228	3,669	2,226	3,328	9,223	68,324

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

Liquidity Management Centre B.S.C. (c)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017 (Reviewed)

1 INCORPORATION AND ACTIVITIES

Liquidity Management Centre B.S.C. (c) (the "Bank") is a closed joint stock company incorporated in the Kingdom of Bahrain on 31 July 2002, under Commercial Registration (CR) number 49092. The Bank operates under an Islamic Wholesale Banking license issued by the Central Bank of Bahrain (the "CBB"). The Bank's registered office is Building 852, Road 3618, Block 436, Seef District, Kingdom of Bahrain.

The principal activities of the Bank and its wholly owned subsidiary (the "Group") include the following:

- Facilitating the creation of an Islamic inter-bank money market that will allow Islamic Financial Services Institutions ("IFSI") to effectively manage their assets and liabilities;
- Providing short-term liquid, tradable asset-backed treasury instruments (Sukuk) based on Islamic Shari'a principles where IFSI can invest their surplus liquidity; and
- Providing short-term investment opportunities based on Islamic Shari'a principles.

The Bank is regulated by the CBB and supervised by the Shari'a Supervisory Board for compliance with Shari'a rules and principles.

The interim condensed consolidated financial statements have been authorised for issue by the Board of Directors on 7 May 2017.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements of the Group have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial statements do not contain all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2016. In addition, the results for the three-month period ended 31 March 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

2.2 Statement of compliance

The interim condensed consolidated financial statements have been prepared on a historical cost basis, except for equity type instruments carried at fair value through equity and equity type instruments carried at fair value through statement of income that have been measured at fair value. The interim condensed consolidated financial statements have been presented in United States Dollar ("US\$"), being the reporting and functional currency of the Group's operations. All values are rounded to the nearest thousand (US\$ '000) unless otherwise indicated.

2.3 Basis of consolidation

These interim condensed consolidated financial statements comprise the financial statements of the Bank and its subsidiary for the three month period ended 31 March 2017. The financial statements of the subsidiary are prepared for the same reporting year as the Bank, using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full.

The Bank has the following subsidiary:

	<u>Ownership</u> <u>2017 and 2016</u>	<u>Year and country of</u> <u>incorporation</u>	<u>Activity</u>
The Short Term Sukuk Center B.S.C. (c)	100%	2003 Kingdom of Bahrain	Investments in Sukuk

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017 (Reviewed)

2 ACCOUNTING POLICIES (continued)**2.3 Basis of consolidation (continued)**

The subsidiary is consolidated in these interim condensed consolidated financial statements based on unaudited 31 March 2017 management accounts.

2.4 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 annual consolidated financial statements for the year ended 31 December 2016.

3 INVESTMENTS

	<i>Reviewed</i> <i>31 March 2017</i>			
	<i>Amortised cost US\$ '000</i>	<i>Fair value through equity US\$ '000</i>	<i>Fair value through statement of income US\$ '000</i>	<i>Total US\$ '000</i>
<i>Debt type</i>				
Quoted investments - Sukuk	75,749	-	-	75,749
Unquoted investments - Sukuk	26,340	-	-	26,340
<i>Equity type</i>				
Quoted investments - Equity shares	-	3,828	4,935	8,763
	102,089	3,828	4,935	110,852
Less: Impairment provision	(22,442)	(2,842)	-	(25,284)
At 31 March 2017	79,647	986	4,935	85,568
	<i>Audited</i> <i>31 December 2016</i>			
	<i>Amortised cost US\$ '000</i>	<i>Fair value through equity US\$ '000</i>	<i>Fair value through statement of income US\$ '000</i>	<i>Total US\$ '000</i>
<i>Debt type</i>				
Quoted investments - Sukuk	69,655	-	-	69,655
Unquoted investments - Sukuk	26,318	-	-	26,318
<i>Equity type</i>				
Quoted investments - Equity shares	-	3,831	4,935	8,766
	95,973	3,831	4,935	104,739
Less: Impairment provision	(22,442)	(2,842)	-	(25,284)
At 31 December 2016	73,531	989	4,935	79,455

The Group's investments in quoted sukuk held at amortised cost have a fair value of US\$ 76 million (31 December 2016: US\$ 69 million).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017 (Reviewed)

3 INVESTMENTS (continued)

Under unquoted investments which are held at fair value through equity are investments amounting to US\$ 0.717 million (31 December 2016: US\$ 0.719 million) which are held at cost less provision for impairment due to the unpredictable nature of their future cash flows and the lack of other suitable methods for arriving at a reliable fair value for these investments.

Investments which are impaired as of 31 March 2017 amounted to US\$ 24.4 million (31 December 2016: US\$ 25.8 million).

Investments include an amount of US\$ 75.7 million (31 December 2016: US\$ 69.7 million) representing the underlying assets of the secured Short Term Sukuk Program (STS Program) of The Short Term Sukuk Center B.S.C. (c) managed by the Bank. The maturities of these investments range from 1 to 36 years and the effective profit rate on these investments range between 2.8 % to 7.5 % per annum (31 December 2016: 2.7 % to 7.9 % per annum).

The Group is party to a long term financing arrangement with a third party international financial institution for which certain of the Group's investments amounting to US\$ 44 million (31 December 2016: US\$ 61 million) have been pledged as collateral as of 31 March 2017.

4 INVESTMENT IN REAL ESTATE

This mainly represents the Bank's headquarters building, the majority of which is leased under an operating Ijarah:

	<i>Reviewed</i> 31 March 2017 <i>US\$ '000</i>	<i>Audited</i> 31 December 2016 <i>US\$ '000</i>
Cost	31,963	31,943
Addition	-	20
	31,963	31,963
Accumulated depreciation	(3,877)	(3,698)
	28,086	28,265

As at 31 March 2017, the Bank's headquarters had a fair value of 24.4 million (31 December 2016: US\$ 24.4 million) and its other investment property had a fair value of 3.7 million (31 December 2016: US\$ 3.7 million) .

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017 (Reviewed)

5 IMPAIRMENT PROVISION

	<i>Reviewed</i>				
	31 March 2017				
	<i>Investments at fair value</i>				
	<i>Investments at amortised cost</i>	<i>through equity</i>	<i>Investments in real - estate</i>	<i>Other receivables</i>	<i>Total</i>
	<i>US\$ 000</i>	<i>US\$ 000</i>	<i>US\$ 000</i>	<i>US\$ 000</i>	<i>US\$ 000</i>
Specific provision					
At 1 January	19,949	2,842	298	581	23,670
Charge for the period / year	17	-	-	16	33
Write offs	-	-	-	(318)	(318)
	19,966	2,842	298	279	23,385
Collective provision					
At 1 January and 31 March	2,476	-	-	-	2,476
TOTAL	22,442	2,842	298	279	25,861
	<i>Audited</i>				
	31 December 2016				
	<i>Investments at fair value</i>				
	<i>Investments at amortised cost</i>	<i>through equity</i>	<i>Investments in real - estate</i>	<i>Other receivables</i>	<i>Total</i>
	<i>US\$ 000</i>	<i>US\$ 000</i>	<i>US\$ 000</i>	<i>US\$ 000</i>	<i>US\$ 000</i>
Specific provision					
At 1 January	5,807	5,504	80	302	11,693
Charge for the period / year	13,392	2,364	218	279	16,253
Reclassification	750	-	-	-	750
Write offs	-	(5,026)	-	-	(5,026)
	19,949	2,842	298	581	23,670
Collective provision					
At 1 January	991	-	-	-	991
Charge for the period / year	2,192	-	-	-	2,192
Reclassification	(707)	-	-	-	(707)
	2,476	-	-	-	2,476
TOTAL	22,425	2,842	298	581	26,146

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017 (Reviewed)

5 IMPAIRMENT PROVISION (continued)

	2017	2016
	US\$ '000	US\$ '000
Charge for the period/ year		
Investments at fair value through equity	-	2,364
Investments at amortised cost	17	13,392
Investments in real estate	-	218
Other receivables	16	279
General provision	-	2,192
	<u>33</u>	<u>18,445</u>

6 SHARE CAPITAL

	<i>Reviewed</i>	<i>Audited</i>
	<i>31 March</i>	<i>31 December</i>
	2017	2016
	US\$ '000	US\$ '000
Authorised:		
200,000,000 ordinary shares of US\$ 1 each	<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up:		
At the beginning of the year: 59,038,875 (2016: 56,227,500) ordinary shares of US\$ 1 (2016: US\$ 1) each	59,039	56,228
Issued during the period: nil (2016: 2,811,375) ordinary shares of US\$ 1 (2016: US\$ 1) each	-	2,811
At the end of the year: 59,038,875 (2016: 59,038,875) ordinary shares of US\$ 1 (2015: US\$ 1) each	<u>59,039</u>	<u>59,039</u>

7 INCOME FROM INVESTMENT IN SUKUK

	<i>Reviewed</i>	
	<i>Three months ended</i>	
	<i>31 March</i>	
	2017	2016
	US\$ '000	US\$ '000
Income from sukuk	914	1,077
Gain on sale of sukuk	22	288
	<u>936</u>	<u>1,365</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017 (Reviewed)

8 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Reviewed</i> <i>Three months ended</i> <i>31 March</i>	
	2017 US\$ '000	2016 US\$ '000
Legal and professional fees	45	41
Premises expenses	42	43
Board remuneration	-	83
Others	123	109
	210	276

9 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 or joint control over the other party in making financial and operating decisions. Related parties comprise major shareholders, directors, Shari'a supervisory board, external auditors and executive management of the Group entities over which they exercise control and significant influence.

The related party balances included in these interim condensed consolidated financial statements are as follows:

	<i>Reviewed</i> <i>31 March 2017</i>			<i>Audited</i> <i>31 December 2016</i>		
	<i>Board members/ key management personnel/ Shari'a board members/ external auditors</i> <i>US\$ '000</i>	<i>Significant shareholders / entities in which directors are interested</i> <i>US\$ '000</i>	<i>Total</i> <i>US\$ '000</i>	<i>Board members/ key management personnel/ Shari'a board members/ external auditors</i> <i>US\$ '000</i>	<i>Significant shareholders / entities in which directors are interested</i> <i>US\$ '000</i>	<i>Total</i> <i>US\$ '000</i>
Assets						
Cash and balances with banks	-	286	286	-	234	234
Due from banks and financial institutions	-	-	-	-	2,000	2,000
Investment in sukuku	-	8,892	8,892	-	10,905	10,905
Other assets	77	105	182	106	191	297
Liabilities						
Due to short term sukuk investors and banks	-	20,001	20,001	-	20,010	20,010
Staff payables	2,693	-	2,693	2,894	-	2,894
Other liabilities	170	-	170	283	-	283

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017 (Reviewed)

9 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

The related party transactions included in these interim condensed consolidated financial statements are as follows:

	Reviewed 31 March 2017			Reviewed 31 March 2016		
	Board members/ key management personnel/ Shari'a board members/ external auditors US\$ '000	Significant shareholders / entities in which directors are interested US\$ '000	Total US\$ '000	Board members/ key management personnel/ Shari'a board members/ external auditors US\$ '000	Significant shareholders / entities in which directors are interested US\$ '000	Total US\$ '000
Income						
Income from investments						
in sukuk	-	164	164	-	284	284
Return to short term sukuk investors and banks	-	(88)	(88)	-	235	235
Expenses						
Staff costs	524	-	524	407	-	407
General and administrative expenses	78	-	78	114	-	114

Key management personnel of the Group comprise of the key members of management having authority and responsibility for planning, directing and controlling the activities of the Bank. The key management personnel compensation is as follows:

	Reviewed Three months ended 31 March	
	2017 US\$ '000	2016 US\$ '000
Salary and other benefits	524	407

10 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable and willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and fair value estimates.

Fair value hierarchy

Fair values of quoted securities are derived from quoted market prices in active markets, if available. For unquoted securities, fair value is estimated using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same and discounted cash flow analysis or other valuation models.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017 (Reviewed)

10 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments 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.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy at 31 March 2017:

	<i>Level 1</i> US\$ '000	<i>Level 2</i> US\$ '000	<i>Level 3</i> US\$ '000	<i>Total</i> US\$ '000
Investments carried at fair value through statement of income				
Equities and funds	-	4,935	-	4,935
Investments carried at fair value through equity				
Equities and funds	-	270	-	270
	<u>-</u>	<u>5,205</u>	<u>-</u>	<u>5,205</u>

Under unquoted investments which are held at fair value through equity are investments amounting to US\$ 0.717 million (31 December 2016: US\$ 0.719 million) which are held at cost less provision for impairment due to the unpredictable nature of their future cash flows and the lack of other suitable methods for arriving at a reliable fair value for these investments (note 3).

The fair values of the Group's other financial instruments are not significantly different from their carrying values as at 31 March 2017 and 31 December 2016.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL

At 31 March 2017 (Reviewed)

11 SEGMENTAL INFORMATION

(a) Industry sector

The industrial distribution of the Group's assets and liabilities as of 31 March 2017 is as follows:

	<i>Reviewed</i>				
	<i>31 March 2017</i>				
	<i>Banks and financial institutions</i>	<i>Government</i>	<i>Real estate</i>	<i>Others</i>	<i>Total</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
Assets					
Cash and balances with banks	2,620	-	-	7	2,627
Due from banks	1,500	-	-	-	1,500
Mudaraba receivables	10,505	-	-	-	10,505
Financing receivables	-	-	7,362	-	7,362
Investment in sukuk	26,726	34,491	13,581	4,849	79,647
Investment in equities and funds	497	-	5,424	-	5,921
Investment in real estate	-	-	28,086	-	28,086
Equipment	-	-	-	143	143
Other assets	623	382	522	328	1,855
Total assets	42,471	34,873	54,975	5,327	137,646
Liabilities					
Due to short term sukuk investors and banks	80,799	-	-	-	80,799
Staff payables	-	-	-	4,016	4,016
Other liabilities	-	5	1	638	644
Total liabilities	80,799	5	1	4,654	85,459

At 31 March 2017 (Reviewed)

11 SEGMENTAL INFORMATION (continued)**(a) Industry sector (continued)**

The industrial distribution of the Group's income and expenses as of 31 March 2017 is as follows:

	<i>Reviewed</i>				
	<i>31 March 2017</i>				
	<i>Banks and financial institutions</i>	<i>Government</i>	<i>Real estate</i>	<i>Others</i>	<i>Total</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
Income					
Income from:					
Investment in sukuk	355	396	163	22	936
Investment in equities and funds	10	-	9	-	19
Due from banks	18	-	-	-	18
Financing Receivables	-	-	133	-	133
Mudaraba receivables	12	-	-	-	12
Less: Return to short term sukuk investors and banks	(368)	-	-	-	(368)
Investment banking fees	-	-	60	8	68
Ijarah income	-	224	-	166	390
Foreign exchange gain	-	-	22	-	22
Other income	26	-	-	1	27
Total income	53	620	387	197	1,257
Expenses					
Staff costs	-	-	-	(670)	(670)
General and administrative expenses	(10)	(26)	-	(174)	(210)
Depreciation	-	-	-	(181)	(181)
Total expenses	(10)	(26)	-	(1,025)	(1,061)
Impairment provision	(7)	-	(26)	-	(33)

Liquidity Management Centre B.S.C. (c)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL

At 31 March 2017 (Reviewed)

11 SEGMENTAL INFORMATION (continued)

(a) Industry sector (continued)

The industrial distribution of the Group's assets and liabilities as of 31 December 2016 is as follows:

	<i>Audited</i>				
	<i>31 December 2016</i>				
	<i>Banks and financial institutions</i>	<i>Government</i>	<i>Real estate</i>	<i>Others</i>	<i>Total</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
<i>Assets</i>					
Cash and bank balances	2,074	-	-	5	2,079
Due from banks	8,500	-	-	-	8,500
Mudaraba receivables	5,022	-	-	-	5,022
Financing receivables	-	-	7,362	-	7,362
Investment in sukuks	25,205	34,817	13,526	-	73,548
Investment in equities and funds	500	-	5,424	-	5,924
Investment in real estate	-	-	28,265	-	28,265
Equipment	-	-	-	145	145
Other assets	545	337	614	391	1,887
Total assets	41,846	35,154	55,191	541	132,732
<i>Liabilities</i>					
Due to short term sukuk investors and banks	76,046	-	-	-	76,046
Staff payables	-	-	-	3,923	3,923
Other liabilities	87	-	-	652	739
Total liabilities	76,133	-	-	4,575	80,708

11 SEGMENTAL INFORMATION (continued)**(a) Industry sector (continued)**

The industrial distribution of the Group's income and expenses as of 31 March 2016 is as follows:

	<i>Reviewed</i>				
	<i>31 March 2016</i>				
	<i>Banks and financial institutions</i>	<i>Government</i>	<i>Real estate</i>	<i>Others</i>	<i>Total</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
<i>Income</i>					
<i>Income from:</i>					
Investment in sukuks	762	348	255		1,365
Investment in equities and funds	-	254	(310)	-	(56)
Due from banks	22	-	-	-	22
Murabaha receivables	20	-	-	-	20
Financing receivables	-	-	77	-	77
Less: Return to short term sukuk investors and banks	(493)	-	-	-	(493)
Investment banking fees	-	-		11	11
Ijarah income	-	225	-	162	387
Foreign exchange gain	3	-	-	-	3
Other income	-	-	-	253	253
Total income	314	827	22	426	1,589
<i>Expenses</i>					
Staff costs	-	-	-	(747)	(747)
General and administrative expenses	(22)	(20)	-	(234)	(276)
Depreciation	-	-	(181)		(181)
Total expenses	(22)	(20)	(181)	(981)	(1,204)
Unrealised fair value change and impairment provision	(57)	-	(2,300)	(200)	(2,557)

Liquidity Management Centre B.S.C. (c)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL

At 31 March 2017 (Reviewed)

11 SEGMENTAL INFORMATION (continued)

(b) Geographic sector

The geographical distribution of the Group's assets and liabilities as of 31 March 2017 is as follows:

	<i>Reviewed</i>			<i>Total</i>
	<i>31 March 2017</i>			
	<i>Kingdom of</i>	<i>Other GCC</i>	<i>Others</i>	<i>US\$ '000</i>
	<i>Bahrain</i>	<i>countries</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
Assets				
Cash and balances with banks	1,332	-	1,295	2,627
Due from banks	1,500	-	-	1,500
Mudaraba receivables	10,505	-	-	10,505
Financing receivables	4,088	3,274	-	7,362
Investment in sukuks	14,755	56,219	8,673	79,647
Investment in equities and funds	5,702	219	-	5,921
Investment in real estate	28,086	-	-	28,086
Equipment	143	-	-	143
Other assets	720	859	276	1,855
Total assets	66,831	60,571	10,244	137,646
Liabilities				
Due to short term sukuk investors and banks	55,796	25,003	-	80,799
Staff payables	4,016	-	-	4,016
Other liabilities	644	-	-	644
Total liabilities	60,456	25,003	-	85,459

The geographical distribution of the Group's income and expenses as of 31 March 2017 is as follows:

	<i>Reviewed</i>			<i>Total</i>
	<i>31 March 2017</i>			
	<i>Kingdom of</i>	<i>Other GCC</i>	<i>Others</i>	<i>US\$ '000</i>
	<i>Bahrain</i>	<i>countries</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
Income				
Income from:				
Investment in sukuks	176	597	163	936
Investment in equities and funds	10	9	-	19
Due from banks	18	-	-	18
Financing Receivables	61	72	-	133
Mudaraba receivables	12	-	-	12
Less: Return to short term sukuk investors and banks	(68)	(88)	(212)	(368)
Investment banking fees	68	-	-	68
Ijarah income	390	-	-	390
Foreign exchange loss	-	-	22	22
Other income	1	-	26	27
Total income	668	590	(1)	1,257
Expense				
Staff costs	(670)	-	-	(670)
General and administrative expenses	(203)	-	(7)	(210)
Depreciation	(181)	-	-	(181)
Total expenses	(1,054)	-	(7)	(1,061)
Impairment provision	(6)	(21)	(6)	(33)

Liquidity Management Centre B.S.C. (c)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL

At 31 March 2017 (Reviewed)

11 SEGMENTAL INFORMATION (continued)

(b) Geographic sector (continued)

The geographical distribution of the Group's assets and liabilities as of 31 December 2016 is as follows:

	<i>Audited</i> 31 December 2016			
	<i>Kingdom of Bahrain</i> US\$ '000	<i>Other GCC countries</i> US\$ '000	<i>Others</i> US\$ '000	<i>Total</i> US\$ '000
<i>Assets</i>				
Cash and bank balances	1,216	1	862	2,079
Due from banks and financial institutions	8,500	-	-	8,500
Mudaraba receivables	5,022	-	-	5,022
Financing receivables	4,088	3,274	-	7,362
Investment in sukuks	14,742	48,216	10,590	73,548
Investment in equities and funds	5,705	219	-	5,924
Investment in real estate	28,265	-	-	28,265
Equipment	145	-	-	145
Other assets	770	840	277	1,887
Total assets	68,453	52,550	11,729	132,732
<i>Liabilities</i>				
Due to short term sukuk investors and banks	54,036	22,010	-	76,046
Staff payables	3,923	-	-	3,923
Other liabilities	739	-	-	739
Total liabilities	58,698	22,010	-	80,708

The geographical distribution of the Group's income and expenses as of 31 March 2016 is as follows:

	<i>Reviewed</i> 31 March 2016			
	<i>Kingdom of Bahrain</i> US\$ '000	<i>Other GCC countries</i> US\$ '000	<i>Others</i> US\$ '000	<i>Total</i> US\$ '000
<i>Income</i>				
<i>Income from:</i>				
Investment in sukuks	255	641	469	1,365
Investment in equities and funds	(310)	254	-	(56)
Due from banks	22	-	-	22
Financing receivables	77	-	-	77
Mudaraba receivables	20	-	-	20
Less: Return to short term sukuk investors and banks	(116)	(235)	(142)	(493)
Investment banking fees	11	-	-	11
Ijarah income	387	-	-	387
Foreign exchange loss	-	-	3	3
Other income	-	253	-	253
Total income	346	913	330	1,589
<i>Expense</i>				
Staff costs	(747)	-	-	(747)
General and administrative expenses	(245)	-	(31)	(276)
Depreciation	(181)	-	-	(181)
Total expenses	(1,173)	-	(31)	(1,204)
Unrealised fair value change and impairment provision	-	(2,357)	(200)	(2,557)