

**Bahrain Telecommunications  
Company BSC**

**CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS**

**30 June 2017**

**Bahrain Telecommunications Company BSC**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
for the six months ended 30 June 2017**

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**FINANCIAL HIGHLIGHTS (presented for information purposes only)  
for the six months ended 30 June 2017**

Six months ended 30 June		2017	2016	Variation %
Gross revenue	BD million	181.1	182.9	(1%)
Expenses	BD million	151.1	146.1	(3%)
Profit attributable to Batelco shareholders	BD million	19.0	22.7	(16%)
Return on net worth – Annualised	%	7.6	7.4	3%
Weighted average number of shares outstanding during the period	Million	1,663	1,663	-
Basic earnings per share for the period	Fils	11.4	13.6	(16%)



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## Independent auditors' report on review of the condensed consolidated interim financial statements

The Board of Directors  
Bahrain Telecommunications Company BSC  
Manama, Kingdom of Bahrain

20 July 2017

### Introduction

We have reviewed the accompanying 30 June 2017 condensed consolidated interim financial statements of Bahrain Telecommunications Company BSC (the "Company") and its subsidiaries (together "the Group"), which comprise:

- the condensed consolidated statement of financial position as at 30 June 2017;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three and six-month periods ended 30 June 2017;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2017
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2017; and
- notes to the condensed consolidated interim financial statements.

The Board of Directors of the Company is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. 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.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2017 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

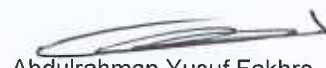
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
as at 30 June 2017

BD'000

	Note	30 June 2017 (reviewed)	31 December 2016 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		259,741	264,827
Goodwill		155,997	155,053
Other intangible assets		133,924	140,486
Investment in associate		66,836	68,806
Deferred tax assets		8,125	6,394
Post-employment benefit assets		3,742	3,532
Other investments		44,517	43,424
<b>Total non-current assets</b>		<b>672,882</b>	<b>682,522</b>
<b>Current assets</b>			
Inventories		6,490	4,347
Trade and other receivables		114,499	91,660
Cash and bank balances	3	157,404	172,406
<b>Total current assets</b>		<b>278,393</b>	<b>268,413</b>
<b>Total assets</b>		<b>951,275</b>	<b>950,935</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Trade and other payables		5,811	5,858
Loans and borrowings	4	223,642	226,271
Deferred tax liabilities		14,183	14,867
<b>Total non-current liabilities</b>		<b>243,636</b>	<b>246,996</b>
<b>Current liabilities</b>			
Trade and other payables		160,196	158,886
Loans and borrowings	4	14,576	8,085
<b>Total current liabilities</b>		<b>174,772</b>	<b>166,971</b>
<b>Total liabilities</b>		<b>418,408</b>	<b>413,967</b>
<b>Net assets</b>		<b>532,867</b>	<b>536,968</b>
<b>EQUITY</b>			
Share capital		166,320	166,320
Statutory reserve		84,116	84,116
General reserve		45,890	45,890
Foreign currency translation reserve		(16,997)	(21,437)
Investment fair value reserve		(25,429)	(26,870)
Post-employment benefit actuarial reserve		(5,399)	(5,399)
Retained earnings		243,369	250,241
<b>Total equity attributable to equity holders of the Company</b>		<b>491,870</b>	<b>492,861</b>
Non-controlling interest		40,997	44,107
<b>Total equity</b>		<b>532,867</b>	<b>536,968</b>

The condensed consolidated interim financial statements which consist of pages 3 to 14 were approved by the Board of Directors on 20 July 2017 and signed on its behalf by

  
Mohammed bin Khalifa Al Khalifa  
Chairman


  
Abdulrahman Yusuf Fakhro  
Deputy Chairman


CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
for the six months ended 30 June 2017

BD'000

	Note	Six months ended 30 June		Three months ended 30 June	
		2017 (reviewed)	2016 (reviewed)	2017 (reviewed)	2016 (reviewed)
<b>REVENUE</b>	5	<b>181,054</b>	182,919	<b>91,361</b>	91,991
<b>EXPENSES</b>					
Network operating expenses		(68,888)	(65,910)	(34,550)	(32,612)
Staff costs		(28,714)	(27,722)	(14,694)	(14,092)
Depreciation and amortisation		(34,061)	(34,452)	(15,999)	(17,425)
Impairment loss on trade receivables		(908)	(1,462)	(507)	(1,087)
Other operating expenses		(18,543)	(16,573)	(9,872)	(8,087)
<b>Total expenses</b>		<b>(151,114)</b>	(146,119)	<b>(75,622)</b>	(73,303)
<b>Results from operating activities</b>		<b>29,940</b>	36,800	<b>15,739</b>	18,688
Finance and other income		2,693	2,894	1,360	1,300
Finance and other expenses		(6,364)	(9,875)	(3,187)	(3,252)
Share of loss from associate (net)		(1,970)	(901)	(430)	(901)
<b>Profit before taxation</b>		<b>24,299</b>	28,918	<b>13,482</b>	15,835
Income tax expense		(562)	(1,469)	(353)	(632)
<b>Profit for the period</b>		<b>23,737</b>	27,449	<b>13,129</b>	15,203
<b>Other comprehensive income</b>					
<i>Items that are or may be reclassified to profit or loss:</i>					
Foreign currency translation differences – foreign operations		4,446	(10,819)	3,220	(7,000)
Investment fair value changes (debt securities)		449	655	(137)	971
		<b>4,895</b>	(10,164)	<b>3,083</b>	(6,029)
<i>Items that will never be reclassified to profit or loss:</i>					
Fair value changes (equity securities)		992	-	(1,596)	-
		<b>992</b>	-	<b>(1,596)</b>	-
<b>Other comprehensive income, net of tax</b>		<b>5,887</b>	(10,164)	<b>1,487</b>	(6,029)
<b>Total comprehensive income for the period</b>		<b>29,624</b>	17,285	<b>14,616</b>	9,174
<b>Profit for the period attributable to:</b>					
Equity holders of the Company		19,017	22,677	10,810	13,082
Non-controlling interest		4,720	4,772	2,319	2,121
		<b>23,737</b>	27,449	<b>13,129</b>	15,203
<b>Total comprehensive income for the period attributable to:</b>					
Equity holders of the Company		24,898	12,511	12,291	7,051
Non-controlling interest		4,726	4,774	2,325	2,123
		<b>29,624</b>	17,285	<b>14,616</b>	9,174
<b>Basic earnings per share (Fils)</b>	6	<b>11.4</b>	13.6	<b>6.5</b>	7.9

The condensed consolidated interim financial statements which consist of pages 3 to 14 were approved by the Board of Directors on 20 July 2017 and signed on its behalf by:

  
Mohammed bin Khalifa Al Khalifa  
Chairman

  
Abdulrahman Yusuf Fakhro  
Deputy Chairman

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the six months ended 30 June 2017**

BD'000

	Note	Six months ended 30 June	
		2017 (reviewed)	2016 (reviewed)
<b>OPERATING ACTIVITIES</b>			
Results from operating activities		29,940	36,800
<b>Adjustment for:</b>			
Depreciation and amortisation		34,061	34,452
Impairment loss on trade receivables		908	1,462
		64,909	72,714
<b>Working capital changes:</b>			
(Increase) / decrease in trade and other receivables		(15,814)	5,689
Increase in inventories		(2,099)	(315)
Decrease in trade and other payables		(3,654)	(19,860)
<b>Cash generated from operating activities</b>		<b>43,342</b>	<b>58,228</b>
Taxes paid		(2,597)	(2,546)
Payment to charities		(983)	(303)
		<b>39,762</b>	<b>55,379</b>
<b>INVESTING ACTIVITIES</b>			
Acquisition of property, equipment and intangibles		(23,127)	(22,755)
Net cash (for purchase) / from sale of investments		(3,461)	9,460
Interest and investment income received		2,858	1,906
		<b>(23,730)</b>	<b>(11,389)</b>
<b>FINANCING ACTIVITIES</b>			
Dividend paid		(32,835)	(29,576)
Interest paid		(5,387)	(5,700)
Borrowings (net)		3,728	4,699
		<b>(34,494)</b>	<b>(30,577)</b>
<b>(Decrease) / increase in cash and cash equivalents</b>		<b>(18,462)</b>	<b>13,413</b>
Cash and cash equivalents at 1 January		114,611	103,064
<b>Cash and cash equivalents at 30 June</b>	<b>3</b>	<b>96,149</b>	<b>116,477</b>

The condensed consolidated interim financial statements consist of pages 3 to 14.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the six months ended 30 June 2017

BD'000

2017	Equity attributable to equity holders of the Company								Total equity	
	Share capital	Statutory reserve	General reserve	Foreign currency translation reserve	Investment fair value reserve	Post-employment benefit actuarial reserve	Retained earnings	Total		Non - controlling interest
At 1 January 2017	166,320	84,116	45,890	(21,437)	(26,870)	(5,399)	250,241	492,861	44,107	536,968
Profit for the period	-	-	-	-	-	-	19,017	19,017	4,720	23,737
<b>Other comprehensive income</b>										
Foreign currency translation differences	-	-	-	4,440	-	-	-	4,440	6	4,446
Investment fair value changes	-	-	-	-	1,441	-	-	1,441	-	1,441
<b>Total other comprehensive income</b>	-	-	-	<b>4,440</b>	<b>1,441</b>	-	-	<b>5,881</b>	<b>6</b>	<b>5,887</b>
<b>Total comprehensive income for the period</b>	-	-	-	<b>4,440</b>	<b>1,441</b>	-	<b>19,017</b>	<b>24,898</b>	<b>4,726</b>	<b>29,624</b>
<b>Contributions and distributions</b>										
Final dividends declared for 2016	-	-	-	-	-	-	(24,948)	(24,948)	-	(24,948)
Donations declared for 2016	-	-	-	-	-	-	(941)	(941)	-	(941)
Dividends to non-controlling interest	-	-	-	-	-	-	-	-	(7,836)	(7,836)
<b>Total Contributions and distributions</b>	-	-	-	-	-	-	<b>(25,889)</b>	<b>(25,889)</b>	<b>(7,836)</b>	<b>(33,725)</b>
<b>At 30 June 2017</b>	<b>166,320</b>	<b>84,116</b>	<b>45,890</b>	<b>(16,997)</b>	<b>(25,429)</b>	<b>(5,399)</b>	<b>243,369</b>	<b>491,870</b>	<b>40,997</b>	<b>532,867</b>

The condensed consolidated interim financial statements consist of pages 3 to 14.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the six months ended 30 June 2017

BD'000

2016	Equity attributable to equity holders of the Company								Total equity	
	Share capital	Statutory reserve	General reserve	Foreign currency translation reserve	Investment fair value reserve	Post-employment benefit actuarial reserve	Retained earnings	Total		Non - controlling interest
At 1 January 2016	166,320	84,116	45,890	(3,580)	(2,488)	(4,605)	242,180	527,833	45,220	573,053
Impact on early adoption of IFRS 9	-	-	-	-	(19,854)	-	13,237	(6,617)	-	(6,617)
At 1 January 2016 (as restated)	166,320	84,116	45,890	(3,580)	(22,342)	(4,605)	255,417	521,216	45,220	566,436
Profit for the period	-	-	-	-	-	-	22,677	22,677	4,772	27,449
Other comprehensive income	-	-	-	(10,820)	-	-	(1)	(10,821)	2	(10,819)
Foreign currency translation differences	-	-	-	(10,820)	-	-	-	-	-	655
Investment fair value changes	-	-	-	-	655	-	-	655	-	-
Total other comprehensive income	-	-	-	(10,820)	655	-	(1)	(10,166)	2	(10,164)
Total comprehensive income for the period	-	-	-	(10,820)	655	-	22,676	12,511	4,774	17,285
Contributions and distributions	-	-	-	-	-	-	(24,948)	(24,948)	-	(24,948)
Final dividends declared for 2015	-	-	-	-	-	-	(1,238)	(1,238)	-	(1,238)
Donations declared for 2015	-	-	-	-	-	-	-	-	(4,183)	(4,183)
Dividends to non-controlling interest	-	-	-	-	-	-	-	-	(4,183)	(4,183)
Total Contributions and distributions	-	-	-	-	-	-	(26,186)	(26,186)	(4,183)	(30,369)
At 30 June 2016	166,320	84,116	45,890	(14,400)	(21,687)	(4,605)	251,907	507,541	45,811	553,352

The condensed consolidated interim financial statements consist of pages 3 to 14.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
for the six months ended 30 June 2017**

BD'000

**1 REPORTING ENTITY**

Bahrain Telecommunication Company BSC (the "Company") is a Bahraini incorporated company listed on the Bahrain Bourse. The condensed consolidated interim financial statements as at and for the six month period ended 30 June 2017 comprise the condensed consolidated interim financial statements of the Company and its subsidiaries (collectively "the Group") and the Group's interests in an associate entity. The Group is principally engaged in the provision of public telecommunications and associated products and services.

**2 BASIS OF PREPARATION****(a) Statement of compliance**

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 – 'Interim Financial Reporting'. These do not include all the information required for a complete set of IFRS financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2016. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2016.

**(b) Significant accounting policies**

The accounting policies and risk management framework applied by the Group in the preparation of the condensed consolidated interim financial statements are consistent with those applied in the preparation of the last audited consolidated financial statements as at and for the year ended 31 December 2016, except for the adoption of relevant new IFRSs, amendments and interpretations issued by IASB that are effective for annual periods beginning on or after 1 January 2017. The adoption of these new standards / amendments did not have a significant impact on the condensed consolidated interim financial statements. The Group has early adopted IFRS 9 in 2016.

The condensed consolidated interim financial statements are reviewed not audited. The comparatives for the condensed consolidated statement of financial position have been extracted from the audited consolidated financial statements for the year ended 31 December 2016 and comparatives for the condensed consolidated statements of profit or loss and other comprehensive income, cash flows and changes in equity have been extracted from the reviewed condensed consolidated interim financial statements for the six months period ended 30 June 2016 as adjusted for the impact of early adoption of IFRS 9 on 1 January 2016.

**(c) Season ability**

Due to the effect of seasonal variations, the results reported in the condensed consolidated interim financial statements may not represent a proportionate share of the overall annual result.

**(d) Judgements and estimates**

In preparing these condensed consolidated interim financial statements, management make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2016.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**for the six months ended 30 June 2017**

BD'000

**3 CASH AND BANK BALANCES**

Cash and bank balances include BD 61,255 (2016: BD 47,261) on account of short-term deposits with maturities exceeding three months and unclaimed dividends. These have been excluded from cash and cash equivalent in condensed consolidated statement of cash flows.

**4 LOANS AND BORROWINGS**

- (i) Long term loan facility with a total available amount of BD 58.5 million (of which BD 55.6 million drawn as of 30 June 2017) has been utilised by a group company to fund its working capital and license fees. The facility bears an interest rate of PLR – 3.35% per annum and is due to be settled by 2023. As at 30 June 2017, BD 9.3 million of the outstanding amount was classified under current liabilities being due within the next 12 months;
- (ii) Vendor financing obtained by a group company with a total amount of BD 4.2 million of which BD 2.1 million remains outstanding as of 30 June 2017. The facility bears an interest rate of 3% per annum and is due to be settled by 2018. As of 30 June 2017, the total of outstanding amount was classified under current liabilities being due within the next 12 months;
- (iii) Over draft facility of BD 4.5 million of which BD 3.2 million drawn as of 30 June 2017 has been utilised by a group company to fund the company's working capital. The facility bears an interest rate of 4.9% per annum; and
- (iv) Long term bonds with a face value of BD 178.3 million. The bonds are listed for trading on the Irish Stock Exchange. The bonds have a tenor of 7 years maturing in 2020, are unsecured and priced at 325 points over 7 years US Treasuries, for a yield of 4.342% and coupon of 4.250% payable semi-annually.

**5 REVENUE**

	Six months ended 30 June		Three months ended 30 June	
	2017 (reviewed)	2016 (reviewed)	2017 (reviewed)	2016 (reviewed)
Mobile Telecommunication Services	95,086	95,105	48,259	46,738
Data Communication Circuits	29,610	33,554	14,420	17,877
Fixed Broadband	25,653	23,120	13,143	11,773
Fixed Line Telecommunication Services	13,021	13,397	6,372	6,389
Adjacent Services	9,372	9,219	4,991	4,881
Wholesale Services	8,312	8,524	4,176	4,333
	<b>181,054</b>	182,919	<b>91,361</b>	91,991

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**for the six months ended 30 June 2017**

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**6 EARNINGS PER SHARE**

	Six months ended 30 June		Three months ended 30 June	
	2017 (reviewed)	2016 (reviewed)	2017 (reviewed)	2016 (reviewed)
Profit for the period attributable to equity holders of the Company	19,017	22,677	10,810	13,082
Weighted average number of shares outstanding during the period (million)	1,663	1,663	1,663	1,663
<b>Basic earnings per share (Fils)</b>	<b>11.4</b>	<b>13.6</b>	<b>6.5</b>	<b>7.9</b>

**7 COMMITMENTS AND CONTINGENCIES****a) Guarantees**

- (i) As at 30 June 2017, the Group's banks have issued guarantees amounting to BD 4.7 million (2016: BD 4.5 million) and letters of credit amounting to BD 14.6 million (2016: BD 0.9 million).
- (ii) The Company has furnished guarantees amounting to BD 3.3 million (2016: BD 3.7 million) to a bank for extending credit facilities to an investee company in Kingdom of Saudi Arabia.
- (iii) The Company has furnished guarantees amounting to BD 1.6 million (2016: BD 1.6 million) to a supplier on behalf of an investee company in Kingdom of Saudi Arabia relating to the equipment supply contracts.
- (iv) The Group has furnished a comfort letter for BD 1.9 million (2016: BD 1.9 million) to Telecommunications Regulatory Commission, Jordan for providing a financial guarantee for the subsidiary companies operating in Jordan.

**b) Commitments**

The capital commitments as at 30 June 2017 amounted to BD 34.7 million (2016: BD 11.7 million).

**c) Contingent liabilities**

The Group is involved in certain matters relating to notifications from regulatory authorities and government tax departments of claims and other notices amounting to BD 1.5 million (2016: Nil). The Group is of the view that there are no legitimate legal grounds for such claims and notices, and all necessary legal steps to respond to and defend its position are being taken.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**for the six months ended 30 June 2017**

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**8 RELATED PARTIES****a) Transactions with related parties**

The Company qualifies as a government related entity under the definitions provided in the Revised IAS 24. The Group provides telecommunication services to various Government and semi government organisation and companies in the Kingdom of Bahrain. The Group also avails various services from Government and semi government organisation and companies in the Kingdom of Bahrain. Such transactions are in the normal course of business and are not considered to be material.

**b) Transactions with key management personnel**

Key management personnel comprise the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group. During the period, the Group paid the following compensation to the key management personnel.

	<b>Six months ended</b>	
	<b>30 June</b>	
	<b>2017</b> <b>(reviewed)</b>	<b>2016</b> <b>(reviewed)</b>
Short-term employee benefits	1,192	1,012
Post-employment benefits	275	251
<b>Total key management personnel compensation</b>	<b>1,467</b>	<b>1,263</b>
<b>Directors remuneration (including sitting fees)</b>	<b>294</b>	<b>338</b>

**9 APPROPRIATIONS**

The shareholders of the Company in their meeting held on 29 March 2017 approved a cash dividend of BD 24.95 million and donations of BD 0.94 million. In board meeting dated 20 July 2017, an interim dividend of 10 fils per share has been approved by the directors. These financial statements do not reflect this interim dividend payable.

**10 COMPARATIVES**

The comparative figures have been regrouped, where necessary, in order to conform to the current period's presentation. Such regrouping did not affect the previously reported profit, total comprehensive income for the period or total equity.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**for the six months ended 30 June 2017**

BD'000

**11 FAIR VALUE**

The Group's financial assets and financial liabilities are measured at amortised cost except for certain available-for-sale investments, which are carried at fair value. Fair values measurement assumes that the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions.

Underlying the definition of fair value is a presumption that an enterprise is a going concern without any intention or need to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

*Fair value hierarchy*

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measures:

- (i) Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- (ii) Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using; quoted market prices in active markets for similar instruments; quoted prices for identical or 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.
- (iii) 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. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The table below analyses financial instruments measured as at 30 June 2017, by the level in the fair value hierarchy into which the fair value measurement is categorized:

30 June 2017	Fair value			Total fair value	Total carrying amount
	Level 1	Level 2	Level 3		
<b>Financial assets at fair value through OCI</b>					
Other investments	43,151	-	1,366	44,517	44,517
<b>Financial liabilities not measured at fair value</b>					
Loans and borrowings	178,300	-	60,913	239,213	238,218
<b>Financial liabilities measured at fair value</b>					
Contingent consideration (Other Payables)	-	-	2,118	2,118	2,118

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**for the six months ended 30 June 2017**

BD'000

## 11 FAIR VALUE (continued)

	Fair value			Total fair value	Total carrying amount
	Level 1	Level 2	Level 3		
31 December 2016					
Financial assets at fair value through OCI					
Other investments	42,031	-	1,393	43,424	43,424
Financial liabilities measured at fair value					
Contingent consideration (Other Payables)	-	-	2,103	2,103	2,103
Financial liabilities not measured at fair value					
Loans and borrowings	177,926	-	57,215	235,141	234,356

There were no transfers between any of the categories during the period. The Bonds have been fair valued using its quoted prices. Other loans and borrowings are repriced at frequent intervals and hence the carrying value is a reasonable approximation of its fair value. The Group has not disclosed the fair value for financial instruments such as short term trade and other receivables, trade and other payables and cash and bank balances, because their carrying amounts are a reasonable approximation of fair values.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
for the six months ended 30 June 2017

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**12 SEGMENT INFORMATION***Operating segments*

The Group's operations are segregated between Bahrain, Jordan, Maldives, Sure Group (Guernsey, Jersey, Isle of Man, South Atlantic and Diego Garcia) and other countries. Other countries include Kuwait, Yemen and Egypt. Segment information disclosed for the six months ended 30 June 2017 is as follows:

	For the six months ended 30 June 2017 (reviewed)					For the six months ended 30 June 2016 (reviewed)								
	Bahrain	Jordan	Maldives	Sure Group	Other countries	Inter - segment elimination	Total	Bahrain	Jordan	Maldives	Sure Group	Other countries	Inter - segment elimination	Total
<b>Segment revenue and profit</b>														
Revenue (external customers)	74,540	38,215	31,059	25,407	11,833	-	181,054	74,176	36,667	30,369	28,275	13,432	-	182,919
Inter-segment revenues	331	661	-	-	935	(1,927)	-	1,029	444	-	-	992	(2,465)	-
<b>Profit</b>	<b>18,036</b>	<b>(4,701)</b>	<b>9,871</b>	<b>794</b>	<b>(233)</b>	<b>(30)</b>	<b>23,737</b>	<b>15,564</b>	<b>(1,500)</b>	<b>9,347</b>	<b>1,464</b>	<b>2,487</b>	<b>87</b>	<b>27,449</b>

	As at 30 June 2017 (reviewed)					As at 31 December 2016 (Audited)								
	Bahrain	Jordan	Maldives	Sure Group	Other countries	Inter - segment elimination	Total	Bahrain	Jordan	Maldives	Sure Group	Other countries	Inter - segment elimination	Total
<b>Segment assets &amp; liabilities</b>														
Non-current assets	172,504	249,715	95,836	107,174	73,992	(26,339)	672,882	171,460	255,412	99,420	106,802	76,308	(26,880)	682,522
Current assets	177,736	23,862	31,248	20,997	34,016	(9,466)	278,393	169,835	17,516	35,526	19,797	34,586	(8,847)	268,413
<b>Total assets</b>	<b>350,240</b>	<b>273,577</b>	<b>127,084</b>	<b>128,171</b>	<b>108,008</b>	<b>(35,805)</b>	<b>951,275</b>	<b>341,295</b>	<b>272,928</b>	<b>134,946</b>	<b>126,599</b>	<b>110,894</b>	<b>(35,727)</b>	<b>950,935</b>
Current liabilities	123,566	58,880	17,077	9,554	19,897	(54,202)	174,772	110,016	61,213	19,040	10,865	19,739	(53,902)	166,971
Non-current liabilities	187,032	60,873	8,004	8,991	1,885	(23,149)	243,636	185,512	53,103	8,073	9,181	1,767	(10,640)	246,996
<b>Total liabilities</b>	<b>310,598</b>	<b>119,753</b>	<b>25,081</b>	<b>18,545</b>	<b>21,782</b>	<b>(77,351)</b>	<b>418,408</b>	<b>295,528</b>	<b>114,316</b>	<b>27,113</b>	<b>20,046</b>	<b>21,506</b>	<b>(64,542)</b>	<b>413,967</b>