

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES



**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
AND INDEPENDENT AUDITORS' REVIEW REPORT FOR THE PERIOD
FROM 1 JANUARY 2015 TO 30 SEPTEMBER 2015
(UNAUDITED)**

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the period from 1 January 2015 to 30 September 2015



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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF BOUBYAN BANK K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Boubyan Bank K.S.C.P. (the "Bank") and its subsidiaries (collectively "the Group") as at 30 September 2015, and the related interim condensed consolidated statement of profit or loss and the interim condensed consolidated statement of other comprehensive income for the three months and nine months periods then ended, and the interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine months period then ended. The management of the Bank is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the 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 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.

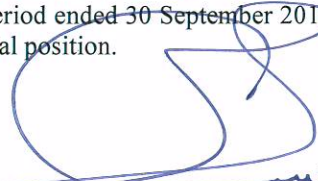
Conclusion

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.

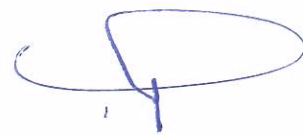
Report on other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of accounts of the Bank. 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. 25 of 2012, as amended and its executive regulations, or of the Bank's Articles of Association and Memorandum of Incorporation, as amended, during the nine months period ended 30 September 2015 that might have had a material effect on the business of the Bank 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, during the nine months period ended 30 September 2015 that might have had a material effect on the business of the Bank or on its financial position.



BADER A. AL-WAZZAN
LICENCE NO. 62A
DELOITTE & TOUCHE
AL-WAZZAN & CO.



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

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES
**INTERIM CONDENSED CONSOLIDATED STATEMENT
OF PROFIT OR LOSS (UNAUDITED)**

For the period from 1 January 2015 to 30 September 2015



	Notes	Three months ended 30 September		Nine months ended 30 September	
		2015	2014	2015	2014
		KD'000	KD'000	KD'000	KD'000
Income					
Murabaha and other Islamic financing income		26,169	21,688	74,082	61,146
Distribution to depositors and Murabaha costs		(5,268)	(4,832)	(16,153)	(12,125)
Net financing income		20,901	16,856	57,929	49,021
Net investment (loss) / income	3	(385)	396	1,207	1,884
Net fees and commission income		2,137	1,197	6,291	4,499
Share of results of associates		227	456	509	1,829
Net foreign exchange gain		409	384	1,164	970
Other income		1	-	5	175
Operating income		23,290	19,289	67,105	58,378
Staff costs		(6,082)	(5,120)	(17,481)	(15,668)
General and administrative expenses		(3,641)	(3,245)	(10,117)	(9,166)
Depreciation		(692)	(557)	(1,908)	(1,588)
Operating expenses		(10,415)	(8,922)	(29,506)	(26,422)
Operating profit before provision for impairment		12,875	10,367	37,599	31,956
Provision for impairment		(3,301)	(2,317)	(11,259)	(10,788)
Operating profit before deductions		9,574	8,050	26,340	21,168
Contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")		(74)	(70)	(224)	(176)
National Labour Support Tax ("NLST")		(267)	(198)	(668)	(502)
Zakat		(99)	(78)	(266)	(200)
Net profit for the period		9,134	7,704	25,182	20,290
Attributable to:					
Equity holders of the Bank		9,122	7,692	25,158	20,263
Non-controlling interests		12	12	24	27
Net profit for the period		9,134	7,704	25,182	20,290
Basic and diluted earnings per share attributable to the equity holders of the Bank (fils)	4	4.43	3.73	12.20	9.83

The notes from 1 to 12 form an integral part of this interim condensed consolidated financial information.

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES**INTERIM CONDENSED CONSOLIDATED STATEMENT
OF OTHER COMPREHENSIVE INCOME (UNAUDITED)**

For the period from 1 January 2015 to 30 September 2015



	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	2015	2014
	KD'000	KD'000	KD'000	KD'000
Net profit for the period	9,134	7,704	25,182	20,290
Other comprehensive (loss) / income				
Other comprehensive (loss) / income to be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods:				
Change in fair value of available for sale investments	(647)	97	(718)	437
Foreign currency translation adjustments	(2,353)	311	(3,699)	2,156
Other comprehensive (loss) / income for the period	(3,000)	408	(4,417)	2,593
Total comprehensive income for the period	6,134	8,112	20,765	22,883
Attributable to:				
Equity holders of the Bank	6,122	8,100	20,741	22,856
Non-controlling interests	12	12	24	27
Total comprehensive income for the period	6,134	8,112	20,765	22,883


The notes from 1 to 12 form an integral part of this interim condensed consolidated financial information.

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION (UNAUDITED)**

As at 30 September 2015



		(Audited)	
	30 September 2015	31 December 2014	30 September 2014
	KD'000	KD'000	KD'000
Assets			
Cash and cash equivalents	5	289,921	314,821
Due from banks		300,155	263,593
Islamic financing to customers		2,107,536	1,805,115
Financial assets at fair value through profit or loss		15,263	12,738
Available for sale investments		129,534	113,852
Investments in associates		80,085	85,728
Investment properties		23,112	25,637
Other assets		15,127	10,944
Property and equipment		17,952	15,502
Total assets		2,978,685	2,647,930
Liabilities and equity			
Liabilities			
Due to banks		286,297	226,739
Depositors' accounts		2,349,903	2,092,028
Other liabilities		30,044	28,061
Total liabilities		2,666,244	2,346,828
Equity			
Share capital		206,325	196,500
Share premium		62,896	62,896
Proposed bonus shares		-	9,825
Treasury shares	7	(568)	(763)
Statutory reserve		6,283	6,283
Voluntary reserve		6,015	6,015
Share based payment reserve		1,086	864
Fair value reserve		4,364	5,082
Foreign currency translation reserve		(10,167)	(6,468)
Retained earnings		31,134	5,978
Proposed cash dividends		-	9,815
Equity attributable to equity holders of the Bank		307,368	296,027
Non-controlling interests		5,073	5,075
Total equity		312,441	301,102
Total liabilities and equity		2,978,685	2,647,930



Mahmoud Yousef Al-Fulajj
Chairman



Adel Abdul Wahab Al Majed
Vice Chairman & Chief Executive Officer

The notes from 1 to 12 form an integral part of this interim condensed consolidated financial information.

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period from 1 January 2015 to 30 September 2015



	Share capital	Share premium	Proposed bonus shares	Treasury shares	Statutory reserve	Voluntary reserve	Share based payment reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Proposed cash dividends	Equity attributable to equity holders of the Bank	Non-controlling interests	Total equity
	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000
Balance at 1 January 2015	196,500	62,896	9,825	(763)	6,283	6,015	864	5,082	(6,468)	5,978	9,815	296,027	5,075	301,102
Total comprehensive income for the period	-	-	-	-	-	-	-	(718)	(3,699)	25,158	-	20,741	24	20,765
Share based payment	-	-	-	-	-	-	222	-	-	145	-	367	-	367
Dividends paid (note 12)	-	-	-	-	-	-	-	-	-	(2)	(9,815)	(9,817)	-	(9,817)
Issue of bonus shares (note 12)	9,825	-	(9,825)	-	-	-	-	-	-	-	-	-	-	-
Sale of treasury shares	-	-	-	195	-	-	-	-	-	(145)	-	50	-	50
Capital redemption of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(26)	(26)
Balance at 30 September 2015	206,325	62,896	-	(568)	6,283	6,015	1,086	4,364	(10,167)	31,134	-	307,368	5,073	312,441
Balance at 1 January 2014	183,645	62,896	12,855	(1,100)	3,306	3,167	860	2,857	(7,746)	3,204	-	263,944	5,543	269,487
Total comprehensive income for the period	-	-	-	-	-	-	-	437	2,156	20,263	-	22,856	27	22,883
Share based payment	-	-	-	-	-	-	(95)	-	-	257	-	162	-	162
Issue of bonus shares	12,855	-	(12,855)	-	-	-	-	-	-	-	-	-	-	-
Sale of treasury shares	-	-	-	337	-	-	-	-	-	(257)	-	80	-	80
Capital redemption of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(734)	(734)
Balance at 30 September 2014	196,500	62,896	-	(763)	3,306	3,167	765	3,294	(5,590)	23,467	-	287,042	4,836	291,878

The notes from 1 to 12 form an integral part of this interim condensed consolidated financial information.

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES**INTERIM CONDENSED CONSOLIDATED STATEMENT OF
CASH FLOWS (UNAUDITED)**

For the period from 1 January 2015 to 30 September 2015

	Nine months ended 30 September	
	2015	2014
	KD'000	KD'000
OPERATING ACTIVITIES		
Net profit for the period	25,181	20,290
Adjustments for:		
Provision for impairment	11,259	10,788
Depreciation	1,908	1,588
Foreign currency translation adjustments	(2,971)	(1,136)
Gain on sale of investments	(198)	(334)
Share of results of associates	(509)	(1,829)
Dividend income	(1,016)	(433)
Unrealized (gain) / loss from financial assets at fair value through profit or loss	(59)	223
Unrealized loss from change in fair value of investment properties	1,302	-
Loss on sale of investment properties	223	-
Share based payment reserve	417	-
Operating profit before changes in operating assets and liabilities	35,537	29,157
Changes in operating assets and liabilities:		
Due from banks	(36,562)	96,146
Islamic financing to customers	(312,138)	(273,926)
Other assets	(4,183)	(972)
Due to banks	59,558	36,638
Depositors' accounts	257,875	250,922
Dividend income received	1,016	433
Other liabilities	1,981	8,749
Net cash generated from operating activities	3,084	147,147
INVESTING ACTIVITIES		
Purchase of financial assets at fair value through profit or loss	(2,890)	(8,057)
Proceeds from sale of financial assets at fair value through profit or loss	544	2,369
Purchase of available for sale investments	(126,412)	(61,759)
Proceeds from sale of available for sale investments	112,313	27,810
Purchase of investment properties	-	(4,888)
Proceeds from sale of investment properties	2,226	13,845
Purchase of property and equipment	(4,358)	(3,166)
Dividend received from associate	434	359
Net cash (used) in investing activities	(18,143)	(33,487)
FINANCING ACTIVITIES		
Cash dividends	(9,815)	-
Capital redemption of non-controlling interest	(26)	(734)
Net cash (used) in financing activities	(9,841)	(734)
Net (decrease) / increase in cash and cash equivalents	(24,900)	112,926
Cash and cash equivalents at beginning of the period	314,821	205,622
Cash and cash equivalents at end of the period	289,921	318,548

The notes from 1 to 12 form an integral part of this interim condensed consolidated financial information.

1. INCORPORATION AND ACTIVITIES

Boubyan Bank K.S.C.P. (“the Bank”) is a Kuwaiti public shareholding company incorporated on 21 September 2004, in accordance with the Commercial Companies Law in the State of Kuwait, by Amiri Decree No. 88 and in accordance with the rules and regulations of the Central Bank of Kuwait (“CBK”) (Law No. 30 of 2003).

The Bank’s shares were listed on the Kuwait Stock Exchange on 15 May 2006.

The Bank was licensed by the CBK on 28 November 2004. The bank is principally engaged in providing banking services, in accordance with Codes of the Islamic Sharia’a, as approved by the Bank’s Sharia’a Supervisory Board.

On 31 July 2012 the Bank became a subsidiary of National Bank of Kuwait K.S.C.P. (“the Parent Company”).

This interim condensed consolidated financial information as at and for the nine months period ended 30 September 2015 incorporates the financial information of the Bank and its principal operating subsidiaries, Boubyan Takaful Insurance Company K.S.C. (Closed) and Boubyan Capital Investment Company K.S.C. (Closed), (together referred to as “the Group”) and the Group’s interests in associates.

The address of the Bank’s registered office is P.O. Box 25507, Safat 13116, State of Kuwait.

This interim condensed consolidated financial information was authorised for issue by the Board of Directors on 4 October 2015.

2. SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation**

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard No. 34, Interim Financial Reporting, and the Kuwait Stock Exchange instruction No. 2 of 1998.

This interim condensed consolidated financial information does not include all the information and notes required for full annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) as modified for use by the State of Kuwait for financial services institutions regulated by the CBK. These regulations require adoption of all IFRSs except for the IAS 39 requirement for collective impairment provision, which has been replaced by the CBK requirements for a minimum general provision.

The interim condensed consolidated financial information has been prepared using the same accounting policies and methods of computation with those used in the preparation of the annual audited consolidated financial statements for the year ended 31 December 2014, 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 July 2014 and did not result in any material impact on the accounting policies, financial position or performance of the Group.

In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. The operating results for the nine months period ended 30 September 2015 are not necessarily indicative of the results that may be expected for the year ending 31 December 2015.

2.2 Judgement and estimates

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. The actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2014.

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**

For the period from 1 January 2015 to 30 September 2015

3. NET INVESTMENT (LOSS) / INCOME

	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	2015	2014
	KD'000	KD'000	KD'000	KD'000
Sukuk coupon income	535	343	1,459	1,077
Dividend income	166	80	1,016	433
Unrealized gain / (loss) from financial assets at fair value through profit or loss	22	17	59	(223)
Gain on sale of investments	195	12	198	65
(Loss) / gain from investment properties	(1,303)	(56)	(1,525)	532
Net investment (loss) / income	(385)	396	1,207	1,884

4. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to the equity holders of the Bank by the weighted average number of shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit for the period attributable to the equity holders of the Bank by the weighted average number of shares outstanding during the period plus the weighted average number of share that would be issued on the conversion of all the dilutive potential shares into shares. The diluted earnings per share arising from the issue of employee share option does not result in any change to the reported basic earnings per share.

	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	2015	2014
Net profit for the period attributable to the equity holders of the Bank (KD'000)	9,122	7,692	25,158	20,263
Weighted average number of shares outstanding during the period net of treasury shares (thousands of shares)	2,061,461	2,062,294	2,061,542	2,061,119
Basic and diluted earnings per share attributable to the equity holders of the Bank (fils)	4.43	3.73	12.20	9.83

Earnings per share for the three months and nine months prior period was 3.92 fils and 10.32 fils respectively, before retroactive adjustment to the number of shares following the bonus issue (note 12).

5. CASH AND CASH EQUIVALENTS

	(Audited)		
	30 September 2015	31 December 2014	30 September 2014
	KD'000	KD'000	KD'000
Cash on hand	21,434	24,555	26,090
Balances with banks – current accounts	5,437	9,653	10,785
Placements with banks maturing within seven days	263,050	280,613	281,673
	289,921	314,821	318,548

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)



For the period from 1 January 2015 to 30 September 2015

6. RELATED PARTY TRANSACTIONS

Related parties comprise the major shareholders, board of directors, entities controlled by them or under their joint control, associates, key management personnel and their close family members and the parent company including their board member, key management personnel, branches, associates and subsidiaries. Balances with related parties arise from commercial transactions in the normal course of business on an arm's length basis and are included within the following financial information captions:

	<u>Number of board members or executive officers</u>			<u>Number of related parties</u>			(Audited)		
	30 September 2015	31 December 2014	30 September 2014	30 September 2015	31 December 2014	30 September 2014	30 September 2015	31 December 2014	30 September 2014
							KD'000	KD'000	KD'000
Islamic financing to customers	9	10	9	3	1	2	5,252	4,650	4,370
Depositors' accounts	16	15	17	8	8	10	44,413	32,932	39,678
Letters of guarantee and letters of credit	1	1	1	-	-	-	40	18	18
Revenues							76	103	80
Expenses							(6)	(17)	(13)
Parent Company									
Due from banks							95,558	8,366	76,132
Due to banks							31,153	42,554	60,651
Revenues							181	271	245
Expenses							(115)	(290)	(242)

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**

For the period from 1 January 2015 to 30 September 2015

6. RELATED PARTY TRANSACTIONS (CONTINUED)**Compensation of key management personnel**

Details of compensations for key management comprise the following:

	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	2015	2014
	KD'000	KD'000	KD'000	KD'000
Short-term benefits	464	454	1,395	1,298
Post-employment benefits	141	67	287	217
Share based compensation	100	74	301	221
	705	595	1,983	1,736

7. TREASURY SHARES

The bank held the following treasury shares:

	(Audited)		
	30 September 2015	31 December 2014	30 September 2014
Number of treasury shares	1,790,413	1,930,589	1,930,589
Treasury shares as a percentage of total issued shares- %	0.0868%	0.0983%	0.0983%
Cost of treasury shares – KD thousand	568	763	763
Market value of treasury shares – KD thousand	725	792	1,004
Weighted average of market value per share (fils)	0.427	0.512	0.527

8. CONTINGENCIES AND COMMITMENTS

At the financial reporting date there were outstanding contingencies and commitments entered in the ordinary course of business in respect of the following:

	(Audited)		
	30 September 2015	31 December 2014	30 September 2014
	KD'000	KD'000	KD'000
Guarantees	183,592	172,768	169,963
Acceptances and letters of credit	83,865	43,120	40,953
Capital commitments (projects under construction)	3,018	914	1,601
	270,475	216,802	212,517

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)



For the period from 1 January 2015 to 30 September 2015

9. SEGMENT REPORTING

Operating segments are identified on the basis of internal reports that are regularly reviewed by the decision makers in order to allocate resources to the segments and to assess their performance. The operating segments are divided as either business segments or geographical segments.

Business Segments

For management purposes, the Bank is organized into the following four major business segments:

Consumer banking: Provides a diversified range of products and services to individuals and institutional customers. The range includes consumer finance, credit cards, deposits and other branch related services.

Corporate banking: Provides Murabaha, Ijarah, trade service and other related services to business and corporate customers.

Investment banking: Principally handling direct investments, investment in associates, local and international real estate investment and asset management.

Treasury: Principally handling local and international Murabaha and other Islamic financing, primarily with banks, as well as the management of the Bank's funding operations.

Group centre: Includes other group activities and residual in respect of transfer pricing and inter segment allocation.

	Consumer banking	Corporate banking	Investment banking	Treasury	Group centre	Total
Nine months ended 30 September 2015	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000
Net financing income / (loss)	34,798	20,000	(989)	3,080	1,040	57,929
Operating income / (loss)	36,515	25,241	2,841	4,243	(1,735)	67,105
Net profit / (loss) for the period	<u>20,635</u>	<u>18,949</u>	<u>(2,163)</u>	<u>3,950</u>	<u>(16,189)</u>	<u>25,182</u>
Total assets	<u>952,893</u>	<u>1,363,871</u>	<u>158,299</u>	<u>508,560</u>	<u>(4,938)</u>	<u>2,978,685</u>
Total liabilities	<u>970,349</u>	<u>218,118</u>	<u>20,285</u>	<u>1,455,429</u>	<u>2,063</u>	<u>2,666,244</u>
	Consumer banking	Corporate banking	Investment banking	Treasury	Group centre	Total
Nine months ended 30 September 2014	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000
Net financing income / (loss)	26,670	17,888	(999)	4,137	1,325	49,021
Operating income / (loss)	27,674	21,710	4,907	5,107	(1,020)	58,378
Net profit / (loss) for the period	<u>14,094</u>	<u>13,107</u>	<u>13</u>	<u>4,837</u>	<u>(11,761)</u>	<u>20,290</u>
Total assets	<u>741,337</u>	<u>1,140,222</u>	<u>156,572</u>	<u>480,710</u>	<u>(8,051)</u>	<u>2,510,790</u>
Total liabilities	<u>770,902</u>	<u>156,350</u>	<u>19,254</u>	<u>1,272,348</u>	<u>58</u>	<u>2,218,912</u>

10. FINANCIAL RISK MANAGEMENT

All aspects of the Group's financial risk management objectives and policies are consistent with that disclosed in the annual audited consolidated financial statements for the year ended 31 December 2014.

11. FAIR VALUE 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. Fair values are obtained from quoted market prices, discounted cash flow models and other models as appropriate.

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: input other than quoted prices included within Level 1 that are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs that are not based on observable market data (unobservable inputs).

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**

For the period from 1 January 2015 to 30 September 2015

**11. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
30 September 2015	KD'000	KD'000	KD'000	KD'000
Financial assets at fair value through profit or loss	-	12,268	2,995	15,263
Available for sale investments	<u>100,129</u>	<u>19,115</u>	<u>10,290</u>	<u>129,534</u>
	<u>100,129</u>	<u>31,383</u>	<u>13,285</u>	<u>144,797</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
31 December 2014 (Audited)	KD'000	KD'000	KD'000	KD'000
Financial assets at fair value through profit or loss	-	9,743	2,995	12,738
Available for sale investments	<u>79,900</u>	<u>22,046</u>	<u>11,906</u>	<u>113,852</u>
	<u>79,900</u>	<u>31,789</u>	<u>14,901</u>	<u>126,590</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
30 September 2014	KD'000	KD'000	KD'000	KD'000
Financial assets at fair value through profit or loss	-	8,549	2,907	11,456
Available for sale investments	<u>68,177</u>	<u>19,889</u>	<u>10,532</u>	<u>98,598</u>
	<u>68,177</u>	<u>28,438</u>	<u>13,439</u>	<u>110,054</u>

12. ANNUAL GENERAL ASSEMBLY MEETING

The shareholders' annual general assembly held on 8 March 2015 approved the audited consolidated financial statements of the Bank for the year ended 31 December 2014 and the distribution of a cash dividends of **5 fils** per share payable to the shareholders registered in Bank's records as of the date of Annual General Assembly Meeting and **5%** bonus shares to the shareholders on record at the date of regulatory approval for distribution of bonus shares.