

ALUBAF Arab International Bank B.S.C. (c)

**INTERIM CONDENSED
FINANCIAL STATEMENTS**

31 MARCH 2019 (Reviewed)

REVIEW REPORT TO THE BOARD OF DIRECTORS OF ALUBAF ARAB INTERNATIONAL BANK B.S.C. (c)

Introduction

We have reviewed the accompanying interim condensed financial statements of ALUBAF Arab International Bank B.S.C. (c) (the "Bank") as at 31 March 2019, comprising the interim statement of financial position and the related interim statements of profit or loss, comprehensive income, cash flows and changes in equity for the three-month period then ended and explanatory notes. The Bank's Board of Directors is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* ('IAS 34'). Our responsibility is to express a conclusion on these interim condensed 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 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 financial statements are not prepared, in all material respects, in accordance with IAS 34.



28 April 2019
Manama, Kingdom of Bahrain

ALUBAF Arab International Bank B.S.C. (c)
INTERIM STATEMENT OF FINANCIAL POSITION
 At 31 March 2019

		<i>(Reviewed)</i> 31 March 2019 US\$'000	<i>(Audited)</i> 31 December 2018 US\$'000
ASSETS			
Cash and balances with Central banks and other banks		363,133	364,769
Deposits with banks and other financial institutions		360,805	339,105
Investments classified as fair value through profit and loss	3	4,981	14,517
Investment securities	4	212,350	205,597
Loans and advances	5	163,055	163,338
Property, equipment and software		9,584	9,758
Interest receivable		6,088	6,628
Other assets		1,060	1,176
TOTAL ASSETS		1,121,056	1,104,888
LIABILITIES AND EQUITY			
Liabilities			
Deposits from banks and other financial institutions		646,350	644,570
Due to banks and other financial institutions		75,001	87,783
Due to customers		81,966	65,642
Interest payable		4,040	1,634
Other liabilities		9,219	7,192
Total liabilities		816,576	806,821
Equity			
Share capital		250,000	250,000
Statutory reserve		22,757	22,757
Retained earnings		31,201	26,352
Fair value reserve		(4,478)	(6,042)
Proposed dividend		5,000	5,000
Total equity		304,480	298,067
TOTAL LIABILITIES AND EQUITY		1,121,056	1,104,888


 Anthony C. Mallis
 Deputy Chairman



 Moraja G. Solaiman
 Chairman

ALUBAF Arab International Bank B.S.C. (c)
INTERIM STATEMENT OF PROFIT OR LOSS
 Three months ended 31 March 2019

	Note	<i>(Reviewed)</i>	
		<i>Three months ended</i>	
		<i>2019</i>	<i>2018</i>
		<i>US\$'000</i>	<i>US\$'000</i>
Interest and similar income		11,155	9,945
Interest expense		(4,533)	(2,802)
Net interest income		6,622	7,143
Fee and commission income		728	801
Trading income - net		399	68
Gain on non-trading investments - net		288	203
Foreign exchange gain - net		245	137
Other income		25	23
Operating income		8,307	8,375
Provision charge for the period	6	(625)	(1,251)
Net operating income		7,682	7,124
Staff costs		1,986	1,872
Depreciation		219	265
Other operating expenses		628	609
Operating expenses		2,833	2,746
NET PROFIT FOR THE PERIOD		4,849	4,378



 Anthony C. Mallis
 Deputy Chairman



 Moraja G. Solaiman
 Chairman

ALUBAF Arab International Bank B.S.C. (c)
 INTERIM STATEMENT OF COMPREHENSIVE INCOME
 Three months ended 31 March 2019

	<i>(Reviewed)</i>	
	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2019</i>	<i>2018</i>
	<i>US\$'000</i>	<i>US\$'000</i>
NET PROFIT FOR THE PERIOD	4,849	4,378
Other comprehensive income:		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Fair value change in cash flow hedge	(189)	-
Unrealised fair value gain/(loss) on investments classified as fair value through other comprehensive income (FVOCI)	1,831	(2,672)
Reversal of impairment on FVOCI investments	(78)	(1,909)
Other comprehensive income (loss) for the period	1,564	(4,581)
Total comprehensive income (loss) for the period	6,413	(203)

The attached notes 1 to 10 form part of these interim condensed financial statements.

ALUBAF Arab International Bank B.S.C. (c)

INTERIM STATEMENT OF CASH FLOWS

Three months ended 31 March 2019

	Note	(Reviewed)	
		Three months ended	
		31 March	
		2019	2018
		US\$'000	US\$'000
OPERATING ACTIVITIES			
Net profit for the period		4,849	4,378
Adjustments for:			
Provision charge for the period	6	625	1,251
Depreciation		219	265
Amortisation of investments carried at amortised cost		95	127
Gain on investment securities - net		(288)	(203)
Unrealised gain on investments classified as FVTPL		(448)	(63)
Amortisation of assets classified as loans and advances		(231)	(212)
		<u>4,821</u>	<u>5,543</u>
Operating profit before changes in operating assets and liabilities			
Changes in operating assets and liabilities:			
Balances with Central Banks		(107,665)	-
Deposits with banks and other financial institutions		(20,925)	(18,372)
Investments classified as fair value through profit and loss		9,984	-
Investment securities		1,968	2,477
Loans and advances		(111)	17,969
Interest receivable and other assets		656	1,345
Deposits from banks and other financial institutions		1,780	2,317
Due to banks and other financial institutions		(12,782)	(28,411)
Due to customers		16,324	15,861
Interest payable and other liabilities		4,433	1,498
		<u>(101,517)</u>	<u>227</u>
Net cash (used in) from operating activities			
INVESTING ACTIVITIES			
Purchase of non-trading investments		(19,941)	(20,956)
Proceeds from disposal/redemption of non-trading investments		12,977	21,473
Purchase of property, equipment and software		(45)	(69)
		<u>(7,009)</u>	<u>448</u>
Net cash (used in) from investing activities			
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(108,526)	675
Cash and cash equivalents at beginning of the period		689,354	677,845
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		580,828	678,520
Cash and cash equivalents comprise:			
Cash and balances with Central Bank and other banks with original maturity of ninety days or less		255,468	289,260
Deposits with banks and other financial institutions with original maturity of ninety days or less		325,360	389,260
		<u>580,828</u>	<u>678,520</u>

ALUBAF Arab International Bank B.S.C. (c)
INTERIM STATEMENT OF CHANGES IN EQUITY
 Three months ended 31 March 2019

	(Reviewed)					
	<i>Share capital</i>	<i>Statutory reserve</i>	<i>Retained earnings</i>	<i>Fair value reserve</i>	<i>Proposed dividend</i>	<i>Total</i>
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 January 2019	250,000	22,757	26,352	(6,042)	5,000	298,067
Net profit for the period	-	-	4,849	-	-	4,849
Other comprehensive income for the period	-	-	-	1,564	-	1,564
At 31 March 2019	250,000	22,757	31,201	(4,478)	5,000	304,480
Balance as at 1 January 2018	250,000	21,257	40,399	(2,805)	5,000	313,851
Transition adjustment on adoption of IFRS 9	-	-	(22,547)	2,931	-	(19,616)
At 1 January 2018 - restated	250,000	21,257	17,852	126	5,000	294,235
Net profit for the period	-	-	4,378	-	-	4,378
Other comprehensive loss for the period	-	-	-	(4,581)	-	(4,581)
At 31 March 2018	250,000	21,257	22,230	(4,455)	5,000	294,032

The attached notes 1 to 10 form part of these interim condensed financial statements.

At 31 March 2019

1 CORPORATE INFORMATION

ALUBAF Arab International Bank B.S.C. (c) (the "Bank") is a closed Bahraini joint stock company incorporated in the Kingdom of Bahrain and registered with the Ministry of Industry, Commerce and Tourism under Commercial Registration (CR) number 12819. The Bank operates under a wholesale banking license issued by the Central Bank of Bahrain (the "CBB"). The Bank's registered office is Building 854, Road 3618, Avenue 436, Alubaf Tower, Al-Seef District, PO Box 11529, Manama, Kingdom of Bahrain.

The interim condensed financial statements of the Bank for the three month period ended 31 March 2019 were authorised for issue in accordance with a resolution of the Board of Directors on 28 April 2019.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The interim condensed financial statements of the Bank for the three month period ended 31 March 2019 are prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*. The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Bank's annual financial statements as at 31 December 2018. In addition, results for the three month period ended 31 March 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

New standards, interpretations and amendments adopted by the Bank

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Bank's annual financial statements for the year ended 31 December 2018, except for the adoption of new standards effective as of 1 January 2019.

For the accounting policies with respect to the prior year comparative figures refer to the annual financial statements for year ended 31 December 2018.

The following new and amended accounting standards became effective in 2019 and have been adopted by the Bank in preparation of these interim condensed financial statements as applicable. However, they had no impact on the Bank's accounting policies, financial position or performance. Further, the Bank has not adopted any standard, interpretation or amendment that has been issued but is not yet effective.

IFRS 16 Leases

Leases - Revised guidance on single model accounting for leases (effective for annual periods beginning on or after 1 January 2019, with earlier adoption permitted if IFRS 15 'Revenue from Contracts with Customers' has also been applied. The standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use asset. Similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. Therefore, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying IAS 7 Statement of Cash Flows.

IFRS 16 contains expanded disclosure requirements for lessees. Lessees will need to apply judgement in deciding upon the information to disclose to meet the objective of providing a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the lessee. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. IFRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.

ALUBAF Arab International Bank B.S.C. (c)
 NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
 At 31 March 2019

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

New standards, interpretations and amendments adopted by the Bank (continued)

IFRS 16 Leases (continued)

IFRS 16 supersedes the following Standards and Interpretations:

- a) IAS 17 Leases;
- b) IFRIC 4 Determining whether an Arrangement contains a Lease;
- c) SIC-15 Operating Leases – Incentives; and
- d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The Bank is in the process of assessing the impact of the new lease standards. However based on initial assessment the management believes the effect will be minimal.

3 INVESTMENTS CLASSIFIED AS FAIR VALUE THROUGH PROFIT AND LOSS

	(Reviewed) 31 March 2019 US\$'000	(Audited) 31 December 2018 US\$'000
Quoted:		
- Debt securities	4,981	14,517

4 INVESTMENT SECURITIES

	31 March 2019 (Reviewed)		
	FVOCI US\$'000	Amortised cost US\$'000	Total US\$'000
Quoted investments (note 4.1)			
- Sovereign debt securities	93,605	46,848	140,453
- Banks and Corporate debt securities	28,576	44,479	73,055
Total quoted investments	122,181	91,327	213,508
Provision for impairment on investment securities (note 4.1)	(548)	(1,158)	(1,706)
Reclassifying provision relating to FVOCI to OCI	548	-	548
Total investment securities	122,181	90,169	212,350
	31 December 2018 (Audited)		
	FVOCI US\$'000	Amortised cost US\$'000	Total US\$'000
Quoted investments			
- Sovereign debt securities	96,722	49,374	146,096
- Banks and Corporate debt securities	16,281	44,545	60,826
Total quoted investments	113,003	93,919	206,922
Provision for impairment on investment securities	(626)	(1,325)	(1,951)
Reclassifying provision relating to FVOCI to OCI	626	-	626
Total investment securities	113,003	92,594	205,597

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

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4 INVESTMENT SECURITIES (continued)

Note 4.1

Movements in staging of 'FVOCI' investments were as follows:

	<i>FVOCI</i>			<i>Total</i>
	<i>31 March 2019 (Reviewed)</i>			
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Fair value through other comprehensive income				
Quoted investments				
- Sovereign debt securities	56,590	37,015	-	93,605
- Banks and Corporate debt securities	15,051	13,525	-	28,576
Total quoted investments	71,641	50,540	-	122,181
Provision for impairment on investment securities (note 4.2)	(201)	(347)	-	(548)
Reclassifying provision relating to FVOCI to OCI	201	347	-	548
Total investment securities	71,641	50,540	-	122,181

Movements in staging of 'amortised cost' investments were as follows:

	<i>Amortised cost</i>			<i>Total</i>
	<i>31 March 2019 (Reviewed)</i>			
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
At amortised cost				
Quoted investments				
- Sovereign debt securities	37,834	9,014	-	46,848
- Banks and Corporate debt securities	21,117	23,362	-	44,479
Total quoted investments	58,951	32,376	-	91,327
Provision for impairment on investment securities (note 4.2)	(147)	(1,011)	-	(1,158)
Total investment securities	58,804	31,365	-	90,169

Note 4.2

Movements in provision for expected credit losses of 'FVOCI' investments were as follows:

	<i>FVOCI</i>		
	<i>31 March 2019 (Reviewed)</i>		
	<i>Stage 1:</i>	<i>Stage 2:</i>	<i>Total ECL</i>
	<i>12-month</i>	<i>Lifetime</i>	
	<i>ECL</i>	<i>ECL not</i>	
	<i>US\$ '000</i>	<i>credit-</i>	<i>US\$ '000</i>
		<i>impaired</i>	<i>US\$ '000</i>
		<i>US\$ '000</i>	
Balance at 1 January 2019	318	308	626
<i>Changes due to financial assets recognised in opening balance that have:</i>			
Transfer to lifetime ECL not credit- impaired	(54)	54	-
Provided during the period	16	19	35
Recoveries / write-backs	(79)	(34)	(113)
At 31 March 2019	201	347	548

ALUBAF Arab International Bank B.S.C. (c)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 31 March 2019

4 INVESTMENT SECURITIES (continued)

Note 4.2 (continued)

Movements in provision for expected credit losses of 'amortised cost' investments were as follows:

	<i>Amortised cost</i>		
	<i>31 March 2019 (Reviewed)</i>		
	<i>Stage 1:</i>	<i>Stage 2:</i>	<i>Total ECL</i>
	<i>12-month</i>	<i>Lifetime</i>	
	<i>ECL</i>	<i>ECL not</i>	
	<i>US\$ '000</i>	<i>credit-</i>	<i>US\$ '000</i>
		<i>impaired</i>	<i>US\$ '000</i>
		<i>US\$ '000</i>	
Balance at 1 January 2019	145	1,180	1,325
Provided during the period	3	-	3
Recoveries / write-backs	(1)	(169)	(170)
At 31 March 2019	147	1,011	1,158
	<i>Investment securities</i>		
	<i>31 March 2018 (Reviewed)</i>		
	<i>Stage 1:</i>	<i>Stage 2:</i>	<i>Total ECL</i>
	<i>12-month</i>	<i>Lifetime</i>	
	<i>ECL</i>	<i>ECL not</i>	
	<i>US\$ '000</i>	<i>credit-</i>	<i>US\$ '000</i>
		<i>impaired</i>	<i>US\$ '000</i>
		<i>US\$ '000</i>	
Balance at 1 January 2018	604	3,799	4,403
<i>Changes due to financial assets recognised</i>			
<i>in opening balance that have:</i>			
Transfer to 12 month ECL	4	(4)	-
Transfer to lifetime ECL not credit- impaired	(24)	24	-
Provided during the period	93	84	177
Recoveries / write-backs	(54)	(3,249)	(3,303)
At 31 March 2018	623	654	1,277

5 LOANS AND ADVANCES

Loans and advances are stated net of provision for loan losses.

	<i>31 March 2019 (Reviewed)</i>			<i>Total</i>
	<i>Stage 1:</i>	<i>Stage 2:</i>	<i>Stage 3:</i>	
	<i>12-month</i>	<i>Lifetime ECL</i>	<i>Lifetime ECL</i>	
	<i>ECL</i>	<i>no credit-</i>	<i>credit-</i>	
	<i>US\$ 000</i>	<i>impaired</i>	<i>impaired</i>	<i>US\$ 000</i>
		<i>US\$ 000</i>	<i>US\$ 000</i>	
Letters of credit - financing	26,795	-	63,084	89,879
Sovereign loans	46,473	-	30,795	77,268
Commercial loans	73,934	-	7,996	81,930
Factoring	-	-	20,419	20,419
	147,202	-	122,294	269,496
Provision for impairment of loans (note 5.1)	(2,812)	-	(103,629)	(106,441)
	144,390	-	18,665	163,055

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 31 March 2019

6 PROVISION CHARGE FOR THE PERIOD

	<i>(Reviewed)</i> 31 March 2019 <i>US\$'000</i>	<i>(Reviewed)</i> 31 March 2018 <i>US\$'000</i>
Provision against money market, nostros and others	460	48
Provision for impairment on investment securities (note 4.2)	(245)	(3,127)
Provision for impairment of loans (note 5.1)	778	4,092
Provision against off balance sheet	(368)	238
	<u>625</u>	<u>1,251</u>

7 COMMITMENTS AND CONTINGENT LIABILITIES

Credit and derivative related commitments

	<i>(Reviewed)</i> 31 March 2019 <i>US\$'000</i>	<i>(Audited)</i> 31 December 2018 <i>US\$'000</i>
Letters of credit	84,372	121,029
Letters of guarantee	188	2,098
	<u>84,560</u>	<u>123,127</u>
Interest rate swap (cash flow hedge)	125,000	-
Forward foreign exchange contracts	3,520	4
Provision against off balance sheet (Stage 1) (provision balance is included under other liabilities)	(236)	(604)
	<u>212,844</u>	<u>122,527</u>

8 DIVIDEND PROPOSED

Directors have proposed dividend of US\$ 5 million i.e. US\$ 1 per share relating to 2018 subject to approval from the shareholders at the annual general meeting being held on 28 April 2019.

ALUBAF Arab International Bank B.S.C. (c)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 31 March 2019

9 TRANSACTIONS WITH RELATED PARTIES

Related parties represent shareholders, directors and key management personnel of the Bank, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Bank's management.

Transactions with related parties included in the interim statement of financial position and interim statement of profit or loss are as follows:

	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>31 March</i>	<i>31 December</i>
	<i>2019</i>	<i>2018</i>
	<i>US\$'000</i>	<i>US\$'000</i>
Interim statement of financial position		
Assets		
Cash and balances with banks	9,807	5,907
Deposits with banks and financial institutions	-	9,714
Loans and advances	4,568	4,629
Interest receivable	37	44
Other assets	45	50
Liabilities		
Deposits from banks and other financial institutions	485,400	474,719
Due to banks and other financial institutions	2,415	3,780
Interest payable	3,773	1,458
Other liabilities	113	396
Assets under management	21,578	21,967
Contingent liabilities		
Letters of credit and guarantee	2,470	5,696
	<i>Three months ended</i>	
	<i>(Reviewed)</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>2019</i>	<i>2018</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Interim statement of profit or loss		
Interest and similar income	44	58
Interest expense	4,090	2,658
Fee and commission income	90	560
	<i>Three months ended</i>	
	<i>(Reviewed)</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>2019</i>	<i>2018</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Compensation paid to the Board of Directors and key management personnel		
Short term benefits*	737	556
End of service benefits	48	71
	<u>785</u>	<u>627</u>

* Includes sitting fees of US\$ 167 thousand (31 March 2018: US\$ 161 thousand) and reimbursement of travel, accommodation and other expenses paid to the Board of Directors amounting to US\$ 17 thousand (31 March 2019: US\$ 32 thousand).

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10 FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

Fair value hierarchy

The Bank 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.

Fair value hierarchy - financial instruments measured at fair value

The following table provides the fair value measurement hierarchy of the Bank's financial instruments measured at fair value:

At 31 March 2019 (Reviewed)

	<i>Level 1</i> US\$ '000	<i>Level 2</i> US\$ '000	<i>Total</i> US\$ '000
Investments classified as fair value through			
- profit and loss	4,981	-	4,981
- other comprehensive income	122,181	-	122,181
Derivative financial instruments	-	189	189
	<u>127,162</u>	<u>189</u>	<u>127,351</u>

At 31 December 2018 (Audited)

	<i>Level 1</i> US\$ '000	<i>Level 2</i> US\$ '000	<i>Total</i> US\$ '000
Investments classified as fair value through			
- profit and loss	14,517	-	14,517
- other comprehensive income	113,003	-	113,003
	<u>127,520</u>	<u>-</u>	<u>127,520</u>

The Bank had no investments measured at fair value qualifying for level 3 of the fair value hierarchy as at 31 March 2019 or as at 31 December 2018.

Transfers between level 1, level 2 and level 3

During the three-month period ended 31 March 2019 there were no transfers between level 1 and level 2 fair value measurements, and no transfers into or out of the level 3 fair value measurement (2017: nil).

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 31 March 2019

10 FINANCIAL INSTRUMENTS (continued)

Financial instruments not measured at fair value - comparison of fair value to carrying value

The following table provides details of the Bank's financial instruments not measured at fair value:

At 31 March 2019 (Reviewed)

	Level 1 US\$ '000	Level 2 US\$ '000	Level 3 US\$ '000	Total fair value US\$ '000	Carrying value US\$ '000
Investments at amortised cost	89,699	-	-	89,699	90,169
Loans and advances	52,811	-	-	52,811	46,473
	<u>142,510</u>	<u>-</u>	<u>-</u>	<u>142,510</u>	<u>136,642</u>

At 31 December 2018 (Audited)

	Level 1 US\$ '000	Level 2 US\$ '000	Level 3 US\$ '000	Total fair value US\$ '000	Carrying value US\$ '000
Investments at amortised cost	91,263	-	-	91,263	92,594
Loans and advances	49,571	-	-	49,571	46,242
	<u>140,834</u>	<u>-</u>	<u>-</u>	<u>140,834</u>	<u>138,836</u>

Balances with banks, deposits with banks and other financial institutions, interest receivable, other assets, deposits from banks and other financial institutions, due to banks and other financial institutions, due to customers, interest payable and other liabilities are generally short term in nature. Management has assessed that the fair values of these approximate their carrying values as of 31 March 2019 and 31 December 2018.