NATIONAL INTERNATIONAL HOLDING COMPANY K.S.C.P. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

30 JUNE 2015

EY
Building a better working world

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF NATIONAL INTERNATIONAL HOLDING COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of National International Holding Company K.S.C.P. (the "Parent Company") and its subsidiaries (collectively, the "Group") as at 30 June 2015 and the related interim condensed consolidated statements of income, comprehensive income for the three months and six months periods then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the six months period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim condensed consolidated 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 IAS 34.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 25 of 2012, as amended and its executive regulations, or of the Parent Company's Memorandum of Incorporation and Articles of Association have occurred during the six months period ended 30 June 2015 that might have had a material effect on the business of the Parent Company or on its financial position.

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EY
AL AIBAN, AL OSAIMI & PARTNERS

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12 August 2015
Kuwait

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

For the period ended 30 June 2015

		Three months ended 30 June		*Six months ended 30 June*	
	Notes	***2015 KD***	*2014 KD*	***2015 KD***	*2014 KD*
Realised gain / (loss) on sale of financial assets at fair value through profit or loss		**17,353**	(13,347)	**46,278**	28,421
Unrealised loss on financial assets at fair value through profit or loss		**(8,705)**	(24,986)	**(32,744)**	(45,517)
Realised gain on sale of financial assets available for sale		**6,940**	96,808	**63,628**	103,719
Impairment losses on financial assets available for sale		**(409,590)**	-	**(409,590)**	-
Gain on sale of investment properties	6	-	65,266	**10,629**	204,571
Gain on sale of investment in an associate		-	-	-	3,422
Dividend income		**258,942**	111,378	**354,752**	271,132
Net investment (loss) / income		**(135,060)**	235,119	**32,953**	565,748
Administrative expenses		**(96,184)**	(93,681)	**(213,774)**	(195,087)
Net operating (loss) / income		**(231,244)**	141,438	**(180,821)**	370,661
Other income		**2,529**	30,328	**34**	49,677
Foreign exchange gain / (loss)		**124,362**	(7,090)	**132,390**	(9,799)
Finance costs		**(4,549)**	(1,125)	**(5,950)**	(4,251)
(LOSS) / PROFIT FOR THE PERIOD BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS), NATIONAL LABOUR SUPPORT TAX (NLST) AND ZAKAT		**(108,902)**	163,551	**(54,347)**	406,288
Contribution to KFAS		-	(1,636)	-	(4,063)
NLST		-	1,327	-	(6,084)
Zakat		-	(1,667)	-	(4,180)
(LOSS) / PROFIT FOR THE PERIOD		**(108,902)**	161,575	**(54,347)**	391,961
BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE	3	**(0.52) Fils**	0.77 Fils	**(0.25) Fils**	1.86 Fils

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 June 2015

	Three months ended 30 June		*Six months ended 30 June*	
	2015	*2014*	***2015***	*2014*
	KD	*KD*	***KD***	*KD*
(Loss) / profit for the period	**(108,902)**	161,575	**(54,347)**	391,961
Other comprehensive income:				
Items to be reclassified to interim condensed consolidated statement of income in subsequent periods:				
Financial assets available for sale:				
- Net movement in cumulative changes in fair value	**519,825**	(692,689)	**(526,518)**	(1,126,791)
- Impairment losses on financial assets available for sale transferred to consolidated statement of income	**409,590**	-	**409,590**	-
- Reclassified to interim condensed consolidated statement of income on sale	**(6,940)**	96,808	**(63,628)**	103,719
Total other comprehensive income / (loss)	**922,475**	(595,881)	**(180,556)**	(1,023,072)
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE PERIOD	**813,573**	(434,306)	**(234,903)**	(631,111)

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2015

	Notes	***30 June 2015 KD***	*(Audited) 31 December 2014 KD*	*30 June 2014 KD*
ASSETS				
Cash and bank balances	4	**1,407,745**	1,769,338	942,484
Financial assets at fair value through profit or loss		**241,369**	300,994	190,991
Financial assets available for sale	5	**32,569,001**	33,244,913	31,591,693
Accounts receivable and other assets		**14,625**	25,893	255,385
Investment properties	6	**2,767,098**	3,022,163	2,527,935
Furniture and equipment		**5,767**	6,262	7,116
TOTAL ASSETS		**37,005,605**	38,369,563	35,515,604
EQUITY AND LIABILITIES				
Equity				
Share capital	7	**21,687,750**	21,262,500	21,262,500
Share premium		**2,813,184**	2,813,184	2,813,184
Statutory reserve		**263,441**	263,441	160,596
Cumulative changes in fair values reserve		**11,761,219**	11,941,775	10,590,426
Treasury shares	8	**(1,357,272)**	(1,357,272)	(1,357,272)
Treasury shares reserve		**318,561**	318,561	318,561
Retained earnings		**57,296**	1,155,417	700,621
Total equity		**35,544,179**	36,397,606	34,488,616
Liabilities				
Bank overdraft	4	**274,417**	-	51,429
Accounts payable and other liabilities		**1,187,009**	1,971,957	975,559
Total liabilities		**1,461,426**	1,971,957	1,026,988
TOTAL EQUITY AND LIABILITIES		**37,005,605**	38,369,563	35,515,604

Abdul Wahab Mohamed Al-Wazzan
Chairman

Ali Ahmed Al-Bagli
Vice Chairman and Chief Executive Officer

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 June 2015

	Share capital KD	*Share premium KD*	*Statutory reserve KD*	*Cumulative changes in fair values reserve KD*	*Treasury shares KD*	*Treasury shares reserve KD*	*Retained earnings KD*	*Total KD*
As at 1 January 2015 (Audited)	21,262,500	2,813,184	263,441	11,941,775	(1,357,272)	318,561	1,155,417	36,397,606
Loss for the period	-	-	-	-	-	-	(54,347)	(54,347)
Other comprehensive loss for the period	-	-	-	(180,556)	-	-	-	(180,556)
Total comprehensive loss for the period	-	-	-	(180,556)	-	-	(54,347)	(234,903)
Dividends distribution (Note 7)	-	-	-	-	-	-	(618,524)	(618,524)
Issuance of bonus shares (Note 7)	425,250	-	-	-	-	-	(425,250)	-
As at 30 June 2015	**21,687,750**	**2,813,184**	**263,441**	**11,761,219**	**(1,357,272)**	**318,561**	**57,296**	**35,544,179**
As at 1 January 2014 (Audited)	21,262,500	2,813,184	160,596	11,613,498	(1,357,272)	318,561	1,339,533	36,150,600
Profit for the period	-	-	-	-	-	-	391,961	391,961
Other comprehensive loss for the period	-	-	-	(1,023,072)	-	-	-	(1,023,072)
Total comprehensive (loss) / income for the period	-	-	-	(1,023,072)	-	-	391,961	(631,111)
Cash dividends (Note 7)	-	-	-	-	-	-	(1,030,873)	(1,030,873)
As at 30 June 2014	21,262,500	2,813,184	160,596	10,590,426	(1,357,272)	318,561	700,621	34,488,616

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

National International Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 30 June 2015

	Notes	*Six months ended 30 June* 2015 KD	2014 KD
OPERATING ACTIVITIES			
(Loss) / profit for the period		**(54,347)**	391,961
Non-cash adjustments to reconcile profit for the period to net cash flows:			
Realised gain on sale of financial assets at fair value through profit or loss		**(46,278)**	(28,421)
Unrealised loss on financial assets at fair value through profit or loss		**32,744**	45,517
Realised gain on sale of financial assets available for sale		**(63,628)**	(103,719)
Impairment losses on financial assets available for sale		**409,590**	-
Gain on sale of investment properties		**(10,629)**	(204,571)
Gain on foreign valuation of investment properties		**(95,869)**	-
Gain on sale of investment in an associate		-	(3,422)
Dividend income		**(354,752)**	(271,132)
Depreciation		**495**	1,039
Provision for employees' end of service benefits		**21,245**	11,674
Finance costs		**5,950**	4,251
		(155,479)	(156,823)
Changes in working capital:			
Financial assets at fair value through profit or loss		**73,159**	83,032
Accounts receivable and other assets		**11,268**	839,785
Accounts payable and other liabilities		**(561,308)**	(371,754)
		(632,360)	394,240
Employee end of service benefits paid		**(244,885)**	-
Net cash flows (used in) from operating activities		**(877,245)**	394,240
INVESTING ACTIVITIES			
Purchase of financial assets available for sale		**(157,059)**	(1,299,708)
Proceeds from sale of financial assets available for sale		**306,453**	617,315
Proceeds from sale of investment properties	6	**361,563**	530,031
Proceeds from sale of investment in an associate		-	116,625
Purchase of furniture and equipment		-	(7,200)
Dividend income received		**354,752**	271,132
Net cash flows from investing activities		**865,709**	228,195
FINANCING ACTIVITY			
Dividends paid		**(618,524)**	(1,030,873)
Finance costs paid		**(5,950)**	(4,251)
Net cash flows used in financing activity		**(624,474)**	(1,035,124)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(636,010)**	(412,689)
Cash and cash equivalents at the beginning of the period		**1,769,338**	1,303,744
CASH AND CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	**1,133,328**	891,055

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

1 CORPORATE INFORMATION

The interim condensed consolidated financial information of National International Holding Company K.S.C.P. (the "Parent Company") and its Subsidiaries (collectively, the "Group") for the six months period ended 30 June 2015 was authorised for issue in accordance with a resolution of the Parent Company's Board of Directors on 12 August 2015.

The Annual General Assembly of the Parent Company's shareholders for the year ended 31 December 2014 was held on 27 May 2014 and approved the consolidated financial statements for the year ended 31 December 2014.

The Parent Company is a Kuwaiti public shareholding company registered and incorporated in Kuwait on 14 January 1979 whose shares are listed on the Kuwait Stock Exchange and is engaged in investing activities in both local and international markets as set forth in Article No. 5 of the Parent Company's Articles of Association. The Parent Company is regulated by the Capital Market Authority ("CMA").

The registered office of the Parent Company is located at Chamber of Commerce and Industry Building, 4th Floor, Al Shuhada Street, P.O. Box 25825 Safat Kuwait.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The interim condensed consolidated financial information is presented in Kuwaiti Dinars (KD) which is the functional and presentation currency of the Parent company.

The interim condensed consolidated financial information does not contain all information and disclosures required for full financial statements prepared in accordance with the International Financial Reporting Standards. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

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 consolidated financial statements as at and for the year ended 31 December 2014.

Operating results for the six months period ended 30 June 2015 are not necessarily indicative of the results that may be expected for the year ending 31 December 2015. For more details please refer to the annual consolidated financial statements and its related disclosures for the year ended 31 December 2014.

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014, except for the adoption of new standards and interpretations effective as of 1 January 2015. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments apply for the first time in 2015, they do not have a material impact on the annual consolidated financial statements of the Group or the interim condensed consolidated financial information of the Group. The nature and the impact of each new standard or amendment are described below:

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

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

Annual Improvements 2010-2012 Cycle
These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these interim condensed consolidated financial information. They include:

IFRS 3 Business Combinations
The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable). This is consistent with the Group's current accounting policy, and thus this amendment does not impact the Group's accounting policy.

IFRS 8 Operating Segments
The amendments are applied retrospectively and clarify that:
- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

IAS 24 Related Party Disclosures
The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for the Group as it does not receive any management services from other entities.

IFRS 13 Fair Value Measurement
The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable). The Group does not apply the portfolio exception in IFRS 13.

IAS 40 Investment Property
The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. In previous periods, the Group has relied on IFRS 3, not IAS 40, in determining whether an acquisition is of an asset or is a business acquisition. Thus, this amendment does not impact the accounting policy of the Group.

2.3 New and revised IASB Standards, but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's interim condensed consolidated financial information are disclosed below. The group intends to adopt these standards, if applicable, when they become effective.

IFRS 9: Financial Instruments: Classification and Measurement
The IASB issued IFRS 9 - Financial Instruments in its final form in July 2014 and is effective for annual periods beginning on or after 1 January 2018 with a permission to early adopt. IFRS 9 sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non- financial assets. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The adoption of this standard will have an effect on the classification and measurement of Group's financial assets but is not expected to have a significant impact on the classification and measurement of financial liabilities. The Group is in the process of quantifying the impact of this standard on the Group's consolidated financial statements, when adopted.

3 BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE

Basic (loss) / earnings per share are calculated by dividing the (loss) / profit for the period by the weighted average number of ordinary shares outstanding during the period (excluding treasury shares). Diluted (loss) / earnings per share is calculated by dividing the (loss) / profit for the period by the weighted average number of ordinary shares outstanding during the period (excluding treasury shares) plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. As at 30 June, the Parent Company did not have any diluted shares.

The information necessary to calculate basic and diluted earnings per share as follows:

	Three months ended 30 June		*Six months ended 30 June*	
	2015	*2014*	***2015***	*2014*
(Loss) / profit for the period (KD)	**(108,902)**	161,575	**(54,347)**	391,961
Weighted average number of ordinary shares outstanding during the period (excluding treasury shares)	**210,427,150**	210,427,150	**210,427,150**	210,427,150
Basic and diluted (loss) / earnings per share	**(0.52) Fils**	0.77 fils	**(0.25) Fils**	1.86 fils

4 CASH AND CASH EQUIVALENTS

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents comprise the following:

	30 June 2015 KD	*(Audited) 31 December 2014 KD*	*30 June 2014 KD*
Cash on hand	**6,474**	6,696	71,302
Bank balances	**1,401,271**	1,762,642	871,182
Total cash and bank balances	**1,407,745**	1,769,338	942,484
Bank overdraft	**(274,417)**	-	(51,429)
Cash and cash equivalents	**1,133,328**	1,769,338	891,055

5 FINANCIAL ASSETS AVAILABLE FOR SALE

	30 June 2015 KD	*(Audited) 31 December 2014 KD*	*30 June 2014 KD*
Local quoted equity securities	**1,721,107**	1,874,581	1,968,808
Local and foreign unquoted equity securities	**29,310,628**	29,777,370	25,805,499
Foreign managed portfolios	**1,147,677**	1,159,887	3,390,377
Foreign managed funds	**389,589**	433,075	427,009
	32,569,001	33,244,913	31,591,693

An impairment loss of KD 409,590 (31 December 2014: KD 9,091 and 30 June 2014: Nil) has been recorded against local quoted equity securities.

5 FINANCIAL ASSETS AVAILABLE FOR SALE (continued)

As at 30 June 2015, local and foreign unquoted equity securities amounting KD 9,731,000 (31 December 2014: KD 9,705,329 and 30 June 2014: KD 15,441,875) are carried at cost less impairment due to the unpredictable nature of their future cash flows and lack of other suitable methods for arriving at a reliable fair value of these investments.

As at 30 June 2015, financial assets available for sale with a total carrying value of KD Nil (31 December 2014: KD 1,496,163 and 30 June 2014: KD 1,199,992) are managed by a related party (Note 9).

Fair value hierarchy disclosures for financial assets available for sale are provided in Note 10.

6 INVESTMENT PROPERTIES

	30 June 2015 KD	*(Audited) 31 December 2014 KD*	*30 June 2014 KD*
At the beginning of the period/year	**3,022,163**	3,073,850	3,073,850
Additions	-	1,555,720	-
Disposals	**(350,934)**	(1,875,409)	(545,915)
Foreign currency translation adjustment	**95,869**	-	-
Fair value	-	268,002	-
At the end of the period/year	**2,767,098**	3,022,163	2,527,935

During the period ended 30 June 2015, the Group sold certain investment properties with a total carrying value of KD 350,934 (31 December 2014: KD 1,875,409 and 30 June 2014: KD 545,915) for a total consideration of KD 361,563 (31 December 2014: KD 2,593,405 and 30 June 2014: KD 530,031) which resulted in a realised gain on sale of KD 10,629 (31 December 2014: KD 717,996 and 30 June 2014: KD 204,571) recognised by the Group in the interim condensed consolidated statement of income.

The fair value of investment properties has been determined on 31 December 2014 based on valuations obtained from two independent professional real estate valuers in UAE, who are an industry specialized in valuing such type of investment properties. Both valuers have valued the investment properties using the market approach.

Market approach is based on a comparison of active market prices for similar properties and recent arm's length market transactions, adjusted for difference in the nature, location or condition of the specific property.

Management believes that there is no significant change in the fair value of investment properties since last valuation.

Fair value hierarchy disclosures for investment properties are provided in Note 10.

7 SHARE CAPITAL

	30 June 2015 KD	*(Audited) 31 December 2014 KD*	*30 June 2014 KD*
The share capital consist of 216,877,500 (31 December 2014: 212,625,000 and 30 June 2014: 212,625,000) shares of 100 fils each, authorized, issued and fully paid up in cash.	**21,687,750**	21,262,500	21,262,500

7 SHARE CAPITAL (continued)

On 22 February 2015, the Board of Directors of the Parent Company proposed 5% (2013: 5%) dividends for the year ended 31 December 2014 amounting to KD 1,043,774 (2013: KD 1,030,873) representing 5 fils per share (2013: 5 fils per share) to the Parent Company's shareholders, the dividend is split as follows:

- 2% Bonus shares amounting to KD 425,250, and
- 3% Cash dividends amounting to KD 618,524.

In addition, the Board of Directors approved Board of Directors' remuneration amounting to KD 35,000 for the year ended 31 December 2014 (2013: KD 35,000). Board of Directors' remuneration for the year ended 31 December 2014 exceeds the amount permissible under local regulations.

On 27 May 2015, the Annual Ordinary General Assembly Meeting of the Parent Company's shareholders approved the distribution of the dividends and Board of Directors' remuneration for the year ended 31 December 2014.

8 TREASURY SHARES

	30 June 2015 KD	*(Audited) 31 December 2014 KD*	*30 June 2014 KD*
Number of shares	**6,579,357**	6,450,350	6,450,350
Percentage of issued shares	**3%**	3%	3%
Market value (KD)	**493,452**	354,769	445,074

9 RELATED PARTY TRANSACTIONS

These represent transactions with related parties, i.e. major shareholders, directors, executive officers and key management personnel of the Group, close members of their families and companies of which they are principal owners or over which they are able to exercise control or significant influence entered into by the Group in the ordinary course of business. Pricing policies and terms of these transactions are approved by the Parent Company's management.

During the period ended 30 June 2015 and 30 June 2014, there were no transactions with related parties included in the interim condensed consolidated statement of income.

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

	30 June 2015 KD	*(Audited) 31 December 2014 KD*	*30 June 2014 KD*
Financial assets available for sale, managed by a related party (Note 5)	-	1,496,163	1,199,992

	Six months ended 30 June	
	2015 KD	*2014 KD*
Compensation of key management personnel		
Salaries and other short-term benefits	**39,000**	36,000
Employees' end of service benefits	**3,050**	2,600
	42,050	38,600

10 FAIR VALUE MEASUREMENT

The fair values of financial assets and financial liabilities that are not carried at fair value are not materially different from their carrying amounts except for financial assets available for sale which are carried at cost less impairment amounting to KD 9,731,000 as at 30 June 2015 (31 December 2014: KD 9,705,329 and 30 June 2014: KD 15,441,875).

Fair value hierarchy
The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The following table shows an analysis of the Group's assets recorded at fair value by level of the fair value hierarchy:

	Level 1	*Level 2*	*Level 3*	*Total*
	KD	*KD*	*KD*	*KD*
As at 30 June 2015				
Financial assets at fair value through profit or loss	**241,369**	-	-	**241,369**
Financial assets available for sale:				
Local quoted equity securities	**1,721,107**	-	-	**1,721,107**
Local and foreign unquoted equity securities	-	-	**19,579,628**	**19,579,628**
Foreign managed portfolios	-	-	**1,147,677**	**1,147,677**
Foreign managed funds	-	-	**389,589**	**389,589**
	1,721,107	-	**21,116,894**	**22,838,001**
Investment properties	-	**2,767,098**	-	**2,767,098**
As at 31 December 2014				
Financial assets at fair value through profit or loss	300,994	-	-	300,994
Financial assets available for sale:				
Local quoted equity securities	1,874,581	-	-	1,874,581
Local and foreign unquoted equity securities	-	-	20,072,041	20,072,041
Foreign managed portfolios	-	-	1,159,887	1,159,887
Foreign managed funds	-	-	433,075	433,075
	1,874,581	-	21,665,003	23,539,584
Investment properties	-	3,022,163	-	3,022,163

10 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	Level 1 *KD*	*Level 2* *KD*	*Level 3* *KD*	*Total* *KD*
As at 30 June 2014				
Financial assets at fair value through profit or loss	190,991	-	-	190,991
Financial assets available for sale:				
Local quoted equity securities	1,968,808	-	-	1,968,808
Local and foreign unquoted equity securities	-	-	10,363,624	10,363,624
Foreign managed portfolios	-	-	3,390,377	3,390,377
Foreign managed funds	-	-	427,009	427,009
	1,968,808	-	14,181,010	16,149,818
Investment properties	-	2,527,935	-	2,527,935

The following table shows a reconciliation of the opening and closing amounts of level 3 financial assets which are recorded at fair value.

	At the beginning of the period/year *KD*	*Gain /(loss) recorded in the consolidated statement of income* *KD*	*Net movement recorded in other comprehensive income* *KD*	*Net purchases, transfers, sales and settlements* *KD*	*At the end of the period/year* *KD*
30 June 2015					
Financial assets available for sale:					
Local and foreign unquoted equity securities	20,072,041	-	(492,413)	-	**19,579,628**
Foreign managed portfolios	1,159,887	57,330	32,499	(102,039)	**1,147,677**
Foreign managed funds	433,075	(4,761)	1,690	(40,415)	**389,589**
	21,665,003	**52,569**	**(458,224)**	**(142,454)**	**21,116,894**
31 December 2014					
Financial assets available for sale:					
Local and foreign unquoted equity securities	11,097,030	-	(145,271)	9,120,282	20,072,041
Foreign managed portfolios	1,315,184	-	(155,297)	-	1,159,887
Foreign managed funds	414,780	(16,409)	37,286	(2,582)	433,075
	12,826,994	(16,409)	(263,282)	9,117,700	21,665,003
As at 30 June 2014					
Financial assets available for sale:					
Local and foreign unquoted equity securities	11,097,030	-	(733,406)	-	10,363,624
Foreign managed portfolios	1,315,184	-	-	2,075,193	3,390,377
Foreign managed funds	414,780	-	4,007	8,222	427,009
	12,826,994	-	(729,399)	2,083,415	14,181,010

11 SEGMENTAL INFORMATION

For management purposes, the Group is organized into business units based on their products and services, and has two reportable operating segments as follows:

- Real estate investing activities comprises investment and trading in real estate and construction or development of real estate for the sale in the ordinary course of business and other related real estate services.
- Equities and other investing activities comprise participation in financial and real estate funds and managing the Group's liquidity requirements.

	Equities and other investing activities		*Real estate investing activities*		*Unallocated*		*Total*	
Period ended 30 June	**2015** **KD**	*2014* *KD*	**2015** **KD**	*2014* *KD*	**2015** **KD**	*2014* *KD*	**2015** **KD**	*2014* *KD*
Realised gain / (loss) on sale of financial assets at fair value through profit or loss	**46,278**	28,421	-	-	-	-	**46,278**	28,42
Unrealised loss on financial assets at fair value through profit or loss	**(32,744)**	(45,517)	-	-	-	-	**(32,744)**	(45,51
Realised gain on sale of financial assets available for sale	**63,628**	103,719	-	-	-	-	**63,628**	103,71
Impairment losses on financial assets available for sale	**(409,590)**	-	-	-	-	-	**(409,590)**	-
Gain on sale of investment properties	-	-	**10,629**	204,571	-	-	**10,629**	204,57
Gain on sale of investment in an associate	-	3,422	-	-	-	-	-	3,42
Dividend income	**354,752**	271,132	-	-	-	-	**354,752**	271,13
Total segment income	**22,324**	361,177	**10,629**	204,571	-	-	**32,953**	565,74
Administrative expenses	-	-	**(57,490)**	(51,696)	**(156,284)**	(143,391)	**(213,774)**	(195,08
Other income	-	-	-	-	**34**	49,677	**34**	49,6
Foreign exchange gain / (loss)	-	-	**95,869**	-	**36,521**	(9,799)	**132,390**	(9,79
Finance costs	-	-	**(5,950)**	(4,251)	-	-	**(5,950)**	(4,25
KFAS, NLST and Zakat	-	-	-	-	-	(14,327)	-	(14,32
Segment results	**22,324**	361,177	**43,058**	148,624	**(119,729)**	(117,840)	**(54,347)**	391,9
(Loss) / Profit for the period							**(54,347)**	391,9
Segment assets	**32,810,370**	31,782,684	**2,767,098**	2,527,935	**1,428,137**	1,204,985	**37,005,605**	35,515,6
Segment liabilities	-	-	**438,644**	54,930	**1,022,782**	972,058	**1,461,426**	1,026,9