

**ISLAMIC HOLDING GROUP (Q.S.C.)
(FORMERLY “ISLAMIC FINANCIAL
SECURITIES COMPANY (Q.S.C.)”)
DOHA - QATAR**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR’S REVIEW REPORT
FOR THE NINE MONTH PERIOD ENDED
SEPTEMBER 30, 2011**

ING GROUP (Q.S.C.)
(FORMERLY “ISLAMIC FINANCIAL SECURITIES COMPANY (Q.S.C.)”)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
WITH THE INDEPENDENT AUDITOR’S REVIEW REPORT

For the nine month period ended September 30, 2011

Independent auditor’s review report --

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Shareholders
Islamic Holding Group (Q.S.C)
Doha – Qatar

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Islamic Holding Group (Q.S.C.) "the Group", which comprise the interim condensed consolidated statement of financial position as of September 30, 2011 and the related interim condensed consolidated statements of income and comprehensive income for the three month and nine month periods then ended, the interim condensed consolidated statements of changes in shareholders' equity and cash flows for the nine month period then ended, and selected explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard: IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410: "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard No. (34), "Interim Financial Reporting".

For **Deloitte & Touche**

Doha - Qatar
....., 2011

Midhat Salha
License No. 257

GROUP (Q.S.C.)
(FORMERLY "ISLAMIC FINANCIAL SECURITIES COMPANY (Q.S.C.)")

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at September 30, 2011

	Note	September 30, 2011 (Reviewed)	December 31, 2010 (Audited)
		QR.	QR.
ASSETS			
Current Assets			
Cash and bank balances	4	434,762,700	35,112,839
Bank balances - customers' funds	5	140,351,706	125,534,690
Due from customers		351,073	4,187,834
Prepayments and other assets	6	6,557,890	3,479,159
Total Current Assets		582,023,369	168,314,522
Non-Current Assets:			
Property and equipment		2,127,120	2,441,593
Available-for-sale investments		3,374,227	2,787,882
Total Non-Current Assets		5,501,347	5,229,475
Total Assets		587,524,716	173,543,997
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Current Liabilities			
Due to customers	7	140,643,708	127,849,658
Due to a related party from Wakala contracts	8	400,000,000	--
Accruals and other credit balances		4,039,476	2,549,063
Total Current Liabilities		544,683,184	130,398,721
Non-Current Liabilities			
Employees' end of service benefits		826,728	744,452
Total liabilities		545,509,912	131,143,173
Shareholders' Equity			
Paid up share capital	9	30,000,000	30,000,000
Legal reserve		8,228,426	8,228,426
Retained earnings		3,905,824	163,848
Fair value reserve		(119,446)	8,550
Proposed dividends		--	4,000,000
Total Shareholders' Equity		42,014,804	42,400,824
Total Liabilities and Shareholders' Equity		587,524,716	173,543,997

Dr. Khaled Bin Thani Bin Abdulla Al Thani
Chairman

Abdulbasit Ahmad Al-Sheibi
Managing Director

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED
 CONSOLIDATED FINANCIAL STATEMENTS

JP (Q.S.C.)

(FORMERLY “ISLAMIC FINANCIAL SECURITIES COMPANY (Q.S.C.)”)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the three and nine month period ended September 30, 2011

	Note	For the three month period ended		For the nine month period ended	
		September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
		QR.	QR.	QR.	QR.
Revenue					
Brokerage and commission income		2,984,553	2,525,625	12,154,635	10,717,909
Brokerage and commission expense		(764,516)	(678,975)	(3,356,486)	(2,861,505)
Brokerage and commission income, net		2,220,037	1,846,650	8,798,149	7,856,404
Income from saving accounts with Islamic banks		456,068	589,700	1,748,844	1,863,237
Gain on sale of available of sale investments		1,922	68,847	202,406	82,395
Income from Wakala - Mudaraba contracts		210,000	--	530,000	285,000
Other income		--	--	10,575	195,259
Net operating profit		2,888,027	2,505,197	11,289,974	10,282,295
Expenses					
General and administrative expenses		(2,015,188)	(1,972,273)	(6,719,072)	(6,171,419)
Depreciation expense		(208,893)	(146,683)	(655,627)	(727,285)
Finance and bank charges		(57,489)	(34,888)	(173,299)	(106,252)
Total expenses		(2,281,570)	(2,153,844)	(7,547,998)	(7,004,956)
Net income for the period		606,457	351,353	3,741,976	3,277,339
Earnings per share	10	0.15	0.09	0.94	0.82

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

IFC (Q.S.C.)
 (FORMERLY "ISLAMIC FINANCIAL SECURITIES COMPANY (Q.S.C.)")

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 For the three and nine month period ended September 30, 2011

	<u>For the three month period ended</u>		<u>For the nine month period ended</u>	
	<u>September 30, 2011 (Reviewed)</u>	<u>September 30, 2010 (Reviewed)</u>	<u>September 30, 2011 (Reviewed)</u>	<u>September 30, 2010 (Reviewed)</u>
	<u>QR.</u>	<u>QR.</u>		
Net income for the period	606,457	351,353	3,741,976	3,277,339
Other comprehensive income				
Fair value loss on available for sale investments	<u>(45,814)</u>	<u>(47,000)</u>	<u>(127,996)</u>	<u>(102,090)</u>
Total comprehensive income for the period	<u>560,643</u>	<u>304,353</u>	<u>3,613,980</u>	<u>3,175,249</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED
 CONSOLIDATED FINANCIAL STATEMENTS

**ISLAMIC HOLDING GROUP (Q.S.C.)
(FORMERLY “ISLAMIC FINANCIAL SECURITIES COMPANY (Q.S.C.)”)**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY

For the nine month period ended September 30, 2011

	Paid up Share Capital	Legal Reserve	Retained Earnings	Fair Value Reserve	Proposed Dividends	Total
	QR.	QR.	QR.	QR.	QR.	QR.
Balance – January 1, 2010 (Audited)	30,000,000	7,828,418	563,772	186,329	4,000,000	42,578,519
Total comprehensive income for the period	--	--	3,277,339	(102,090)	--	3,175,249
Dividends paid	--	--	--	--	(4,000,000)	(4,000,000)
Balance - September 30, 2010 (Reviewed)	30,000,000	7,828,418	3,841,111	84,239	--	41,753,768
Balance – January 1, 2011 (Audited)	30,000,000	8,228,426	163,848	8,550	4,000,000	42,400,824
Total comprehensive income for the period	--	--	3,741,976	(127,996)	--	3,613,980
Dividends paid	--	--	--	--	(4,000,000)	(4,000,000)
Balance - September 30, 2011 (Reviewed)	30,000,000	8,228,426	3,905,824	(119,446)	--	42,014,804

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

GROUP (Q.S.C.)
(FORMERLY "ISLAMIC FINANCIAL SECURITIES COMPANY (Q.S.C.)")

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the nine month period ended September 30, 2011

	For the nine month period ended	
	September 30, 2011	September 30, 2010
	(Reviewed)	(Reviewed)
	QR.	QR.
OPERATING ACTIVITIES		
Net income for the period	3,741,976	3,277,339
Adjustments for:		
Depreciation expense	655,627	727,285
Finance and bank charges	173,299	106,252
Income from saving accounts with Islamic banks	(1,748,844)	(1,863,237)
Impairment losses on available for sale investments	--	5,260
Gain on sale of available for sale investments	(202,406)	(82,387)
Income from Wakala - Mudaraba contracts	(530,000)	(285,000)
Loss on sale property and equipment	--	418
Provision for employees' end of service benefits	82,276	115,077
	2,171,928	2,001,007
Bank balances - customers' funds	(14,817,016)	(56,267,844)
Due from customers	3,836,761	(1,778,541)
Prepayments and other assets	(3,078,731)	9,635,293
Due to customers	12,794,050	34,604,299
Due to a related party from Wakala / Mudaraba	400,000,000	200,000,000
Accruals and other credit balances	1,490,413	(11,869,767)
	402,397,405	176,324,447
Employees' end of service benefits paid	--	(32,477)
Net Cash from Operating Activities	402,397,405	176,291,970
INVESTING ACTIVITIES		
Purchases of property and equipment	(341,153)	(484,021)
Purchases of available for sale investments	(5,645,424)	(2,715,522)
Proceeds from sale of available for sale investments	5,133,488	3,244,917
Income from Wakala / Mudaraba	530,000	285,000
Income from saving accounts with Islamic banks	1,748,844	1,863,237
Net Cash from Investing Activities	1,425,755	2,193,611

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED
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GROUP (Q.S.C.)
(FORMERLY “ISLAMIC FINANCIAL SECURITIES COMPANY (Q.S.C.)”)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the nine month period ended September 30, 2011

	<u>Note</u>	<u>For the nine month period ended</u>	
		September 30, 2011 (Reviewed)	September 30, 2010 (Reviewed)
		QR.	QR.
FINANCING ACTIVITIES			
Finance and bank charges		(173,299)	(106,252)
Dividends paid		(4,000,000)	(4,000,000)
Term deposits		(400,000,000)	--
Net Cash used in Financing Activities		(404,173,299)	(4,106,252)
Net decrease in cash and bank balances		(350,139)	174,379,329
Cash and bank balances – beginning of the period		35,112,839	60,050,950
Cash and bank balances - End of the Period	4	34,762,700	234,430,279

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 CONSOLIDATED FINANCIAL STATEMENTS

ISLAMIC HOLDING GROUP (Q.S.C.)
(FORMERLY "ISLAMIC FINANCIAL SECURITIES COMPANY (Q.S.C.)")

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the nine month period ended September 30, 2011

1. GENERAL INFORMATION

Islamic Financial Securities Company was established as a Qatari Private shareholding Company and registered in the Commercial Registration under No. 26337. The main activities of the Company are investing in shares and bonds, brokerage services in Qatar Exchange according to the Islamic Sharea'a. The Company works according to the Qatar Commercial Companies' Law No. 5 of 2002 and Qatar Exchange Regulations.

The Board of Directors in its meeting held on September 22, 2006 decided to change the status of the Company to a Qatari Public Shareholding Company after approval of the Ministry of Economy and Trade on December 26, 2006. The Company shares were listed in Qatar Exchange on March 3, 2008.

The Shareholders in their General Assembly meeting held on December 28, 2008 and based on the Board of Directors resolution in its meeting held on August 22, 2010, decided to change the Company's name and legal structure from Islamic Financial Securities Company (Qatari Public Shareholding Company) to Islamic Holding Group (Qatari Public Shareholding Company-Holding) (the "Company"). The change was made in accordance with the approval of the Financial Market Authority and the approval of Ministry of Business and Trade on July 19, 2010.

These consolidated financial statements include the financial statements of the Company and its subsidiary company "Islamic Financial Securities Company" (hereinafter "the Group"). Islamic Financial Securities Company (the subsidiary company) was registered in the State of Qatar under Commercial Registration No. 46645 as a one Shareholder Company on July 19, 2010. It is fully owned by the Islamic Holding Group (Q.S.C.). The subsidiary company provides brokerage services.

The main activities of the Group is investing in shares and bonds, brokerage services through its subsidiary company, investing and managing subsidiary companies, ownership of patents and royalties.

These interim condensed consolidated financial statements were approved by the Board of Directors on , 2011.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the nine month period ended September 30, 2011

2. ACCOUNTING POLICIES

These interim condensed consolidated financial statements are prepared in accordance with IAS 34 “Interim Financial Reporting”. The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended December 31, 2010, except for the adoption of certain revised / new standards and interpretations which are effective as of January 1, 2011. The adoption of these standards and interpretations had no significant effect on the financial statements other than certain presentation and disclosure changes. These interim condensed consolidated financial statements should be read in conjunction with the 2010 annual financial statements and notes attached thereto.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards. In addition, the results for the nine month period ended September 30, 2011 are not necessarily indicative of the results that may be expected for the full financial year ending December 31, 2011.

3. SEGMENT INFORMATION

The Company operates in a main business segment that is cash and other investments and managing the subsidiaries. The subsidiary currently operates in one business segment, financial brokerage. The Group operates only in the State of Qatar.

4. CASH AND CASH EQUIVALENTS

	September 30, 2011	December 31, 2010
	(Reviewed)	(Audited)
	QR.	QR.
Current accounts	5,692,862	3,898
Saving accounts	29,069,838	35,108,941
Term deposits	400,000,000	--
	434,762,700	35,112,839
Less: term deposits maturing after more than 90 days	(400,000,000)	--
Cash and Cash Equivalents	34,762,700	35,112,839

5. BANK BALANCES AND CUSTOMERS’ FUNDS

This amount represents bank balances for the customers, which the Group holds in trust until the customers commit those funds to the purchase of shares following which the Group transfers the committed funds to the Group’s bank accounts and settles with the settlement authority.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the nine month period ended September 30, 2011

6. PREPAYMENTS AND OTHER ASSETS

	September 30, 2011	December 31, 2010
	(Reviewed)	(Audited)
	QR.	QR.
Refundable deposits	2,000,250	2,000,250
Accrued revenues from deposits with Islamic banks	3,555,556	--
Prepaid expenses	970,452	1,478,909
Other Assets	31,632	--
Total	<u>6,557,890</u>	<u>3,479,159</u>

7. DUE TO CUSTOMERS

Represents amounts deposited by customers against trading transactions performed by them.

8. DUE TO A RELATED PARTY FROM WAKALA CONTRACTS

During the period, the Group entered into Wakala agreement with a related party, Qatar International Islamic Bank (the “Bank”), whereby the Group invests a total amount of QR. 400,000,000 on behalf of the Bank. According to the agreement the Group will receive a fixed amount against the investment amounting to QR. 120,000.

9. SHARE CAPITAL

	September 30, 2011	December 31, 2010
	(Reviewed)	(Audited)
	QR.	QR.
Authorized and issued share capital:		
4,000,000 shares with a value of QR.10 per share	<u>40,000,000</u>	<u>40,000,000</u>
Percentage of paid-up capital	75%	75%
Paid-up share capital (QR.)	<u>30,000,000</u>	<u>30,000,000</u>

ING GROUP (Q.S.C.)
(FORMERLY "ISLAMIC FINANCIAL SECURITIES COMPANY (Q.S.C.)")

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 For the nine month period ended September 30, 2011

10. EARNINGS PER SHARE

Earnings per share are calculated by dividing the net income for the period by the weighted average number of ordinary shares outstanding during the period as follows:

	<u>For the three month period ended</u>		<u>For the nine month period ended</u>	
	September 30, 2011 (Reviewed)	September 30, 2010 (Reviewed)	September 30, 2011 (Reviewed)	September 30, 2010 (Reviewed)
Net income for the period (QR)	606,457	351,353	3,741,976	3,277,339
Weighted average number of shares	4,000,000	4,000,000	4,000,000	4,000,000
Earnings per share (QR)	0.15	0.09	0.94	0.82

11. RELATED PARTIES TRANSACTIONS

Related parties represent the shareholders, directors and key management personnel of the Group and companies controlled, jointly controlled or significantly influenced by those parties.

During the period, related parties transactions were as follows:

	<u>For the nine month period ended</u>	
	September 30, 2011 (Reviewed) QR.	September 30, 2010 (Reviewed) QR.
Commission income, net	736,207	847,349
Income from Mudaraba contracts	580,000	285,000

12. KEY MANAGEMENT REMUNERATION

The remuneration of directors and other members of key management during the period were as follows:

	<u>For the nine month period ended</u>	
	September 30, 2011 (Reviewed) QR.	September 30, 2010 (Reviewed) QR.
Short term benefits	830,700	144,000

ING GROUP (Q.S.C.)
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the nine month period ended September 30, 2011

13. CONTINGENT LIABILITIES

	September 30, 2011 (Reviewed)	December 31, 2010 (Audited)
	QR.	QR.
Letters of guarantee	400,000,000	60,000,000