

Islamic Holding Group (Q.S.C)

INTERIM CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS

30 SEPTEMBER 2013

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF ISLAMIC HOLDING GROUP (Q.S.C)

Introduction

We have reviewed the accompanying interim consolidated financial position of Islamic Holding Group (Q.S.C) (the “Company”) and its subsidiaries (together referred to as the “Group”) as at 30 September 2013 and the related interim consolidated statement of income and comprehensive income for the three-month and nine-month periods ended 30 September 2013 and the consolidated statement of changes in equity and cash flows for nine-month periods ended 30 September 2013 and the related explanatory notes.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 – Interim Financial Reporting (“IAS 34”). 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 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 statements are not prepared, in all material respects, in accordance with IAS 34.

Other matter

The interim condensed consolidated financial statements of the Group as at 30 September 2012 were reviewed and the consolidated financial statements as at 31 December 2012, were audited by another auditor, whose reports dated 14 October 2012 and 15 January 2013 respectively, expressed an unmodified review conclusion and an unmodified audit opinion on those statements.

Ziad Nader
of Ernst & Young
Auditor's Registration No. 258

Date:
Doha

Islamic Holding Group (Q.S.C.)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2013

	<i>Notes</i>	30 September 2013 (Unaudited) QR	31 December 2012 (Audited) QR
ASSETS			
Current assets			
Cash and bank balances	3	44,055,560	1,029,249,827
Bank balances - customers' funds	4	225,969,906	148,179,410
Due from customers		159,734	12,169,194
Prepayments and other debit balances	5	4,358,573	3,194,529
Total current assets		274,543,773	1,192,792,960
Non-current assets			
Property and equipment		772,528	1,244,386
Available for sale investments	6	4,796,579	8,978,203
Total non-current assets		5,569,107	10,222,589
Total assets		280,112,880	1,203,015,549
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Due to customers		211,607,968	118,437,571
Due to Qatar Exchange		9,044,404	37,789,261
Due to a related party from Wakala contracts	7	-	1,000,000,000
Accrued expenses and other credit balances	8	1,481,448	1,833,690
Total current liabilities		222,133,820	1,158,060,522
Non-current liability			
Employees' end of service benefits		835,120	797,340
Total liabilities		222,968,940	1,158,857,862
Shareholders' equity			
Paid up share capital	9	30,000,000	30,000,000
Advances of share capital called up		9,869,293	-
Legal reserve		9,297,320	9,297,320
Retained earnings		8,031,781	1,016,669
Fair value reserve		(54,454)	(656,302)
Proposed dividends		-	4,500,000
Total shareholders' equity		57,143,940	44,157,687
Total liabilities and shareholders' equity		280,112,880	1,203,015,549

Dr. Yousuf Ahmad Hussain Al Nama
Chairman and Managing Director

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.

Islamic Holding Group (Q.S.C.)

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the nine months ended 30 September 2013

	Notes	<i>Three months ended</i>		<i>Nine months ended</i>	
		<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
		<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
		<i>(Unaudited)</i>		<i>(Unaudited)</i>	
		<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
Brokerage and commission income		4,672,529	3,765,090	12,169,791	14,426,011
Brokerage and commission expense		(1,202,496)	(989,385)	(3,136,440)	(4,032,338)
Brokerage and commission income, net		3,470,033	2,775,705	9,033,351	10,393,673
Net gain on sale of trading properties	10	421,919	-	1,421,919	-
Income from saving accounts with Islamic banks		567,771	505,701	1,324,602	1,649,354
Net gain from sale of available of sale investments		224,915	55,862	402,862	194,090
Impairment losses on available for sale investments		-	-	(475,634)	-
Loss on sale of investment		(143,765)	-	(143,765)	-
Income from Wakala contracts		164,274	240,000	757,649	360,000
Dividends income		2,404	9,140	627,331	67,688
Net operating income		4,707,551	3,586,408	12,948,315	12,664,805
General and administrative expenses		(1,866,158)	(1,914,865)	(5,234,738)	(6,314,661)
Depreciation expense		(174,559)	(186,654)	(531,411)	(570,356)
Bank charges		(53,600)	(53,815)	(167,054)	(162,550)
Profit for the period		2,613,234	1,431,074	7,015,112	5,617,238
Basic and diluted earnings per share	11	0.65	0.36	1.75	1.40

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.

Islamic Holding Group (Q.S.C.)

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2013

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
Profit for the period	2,613,234	1,431,074	7,015,112	5,617,238
Other comprehensive (loss) income for the period				
Changes in fair value of available for sale investments	(1,975)	56,750	601,848	(143,182)
Total comprehensive income for the period	2,611,259	1,487,824	7,616,960	5,474,056

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.

Islamic Holding Group (Q.S.C.)

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2013

	<i>Share capital QR</i>	<i>Advances of share capital called up QR</i>	<i>Retained earnings QR</i>	<i>Legal reserve QR</i>	<i>Fair value reserve QR</i>	<i>Proposed dividends QR</i>	<i>Total QR</i>
As at 1 January 2013 (Audited)	30,000,000	-	1,016,669	9,297,320	(656,302)	4,500,000	44,157,687
Profit for the period	-	-	7,015,112	-	-	-	7,015,112
Other comprehensive income for the period	-	-	-	-	601,848	-	601,848
Total comprehensive income for the period	-	-	7,015,112	-	601,848	-	7,616,960
Advances of share capital called up	-	9,869,293	-	-	-	-	9,869,293
Dividends paid to shareholders	-	-	-	-	-	(4,500,000)	(4,500,000)
As at 30 September 2013 (Reviewed)	30,000,000	9,869,293	8,031,781	9,297,320	(54,454)	-	57,143,940
As at 1 January 2012 (Audited)	30,000,000	-	224,268	8,692,474	(92,600)	4,000,000	42,824,142
Profit for the period	-	-	5,617,238	-	-	-	5,617,238
Other comprehensive income for the period	-	-	-	-	(143,182)	-	(143,182)
Total comprehensive income for the period	-	-	5,617,238	-	(143,182)	-	5,474,056
Dividends paid to shareholders	-	-	-	-	-	(4,000,000)	(4,000,000)
As at 30 September 2012 (Reviewed)	30,000,000	-	5,841,506	8,692,474	(235,782)	-	44,298,198

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.

Islamic Holding Group (Q.S.C.)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2013

	<i>Nine months ended 30 September 2013 (Unaudited) QR</i>	<i>Nine months ended 30 September 2012 (Unaudited) QR</i>
Operating activities		
Profit for the period	7,015,112	5,617,238
Adjustments for:		
Depreciation expense	531,411	570,356
Bank charges	167,054	162,550
Income from saving accounts with Islamic banks	(1,324,602)	(1,649,354)
Income from Wakala contracts	(757,649)	(360,000)
Dividends income	(627,331)	-
Impairment losses on available for sale investments	475,634	-
Net gain from sale of available for sale investments	(402,862)	(194,158)
Provision for employees' end of service benefits	144,660	165,054
	<u>5,221,427</u>	<u>4,311,686</u>
Working capital changes:		
Bank balances – customers' funds	(77,790,496)	434,372
Due from customers	12,009,460	(1,387,386)
Due to Qatar Exchange	(28,744,857)	15,909,421
Prepayments and other debit balances	(1,164,044)	324,983
Due to customers	93,170,397	(3,614,622)
Accrued expenses and other credit balances	(352,242)	(509,487)
	<u>2,349,645</u>	<u>15,468,967</u>
Cash used in operations:		
Bank charges	(167,054)	(162,550)
Employees end of service benefits paid	(106,880)	(81,925)
	<u>2,075,711</u>	<u>15,224,492</u>
Net cash flows from operating activities		
	<u>2,075,711</u>	<u>15,224,492</u>
Investing activities		
Purchases of property and equipment	(59,553)	(7,707)
Purchases of available for sale investments	(4,400,633)	(19,384,508)
Proceeds from sale of available for sale investments	9,111,333	13,427,604
Dividends income	627,331	-
Income from Wakala contracts	757,649	360,000
Income from saving accounts with Islamic banks	1,324,602	1,649,354
	<u>7,360,729</u>	<u>(3,955,257)</u>
Cash flows from (used in) investing activities		
	<u>7,360,729</u>	<u>(3,955,257)</u>
Financing activity		
Amounts paid to settle unpaid capital	9,869,293	-
Dividends paid to shareholders	(4,500,000)	(4,000,000)
	<u>5,369,293</u>	<u>(4,000,000)</u>
Cash flows from (used in) financing activity		
	<u>5,369,293</u>	<u>(4,000,000)</u>
Net increase in cash and cash equivalents	14,805,733	7,269,235
Cash and cash equivalents at 1 January	29,249,827	37,365,341
Cash and cash equivalents at 30 September	3 <u>44,055,560</u>	<u>44,634,576</u>

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.

Islamic Holding Group (Q.S.C.)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2013

1 GENERAL INFORMATION

Islamic Holding Group (Q.S.C) (the “Company”) is a Qatari Shareholding Company formed in accordance with the approval obtained from the Ministry of Business and Trade on 26 December 2006 under Commercial Registration No. 26337. The Company is governed by the provisions of Qatar Commercial Companies’ Law No. 5 of 2002, and the regulations of Qatar Financial Market Authority and Qatar Exchange. The company’s shares are publicly traded at Qatar Exchange.

During the Board of Directors meeting held on 22 September 2006, they approved to transform the Company to General Qatari Shareholding Company, the Company got the approval of Ministry of Economy and Commerce on 26 December 2006. The Company shares are publicly traded at the Qatar Exchange on 3 March 2008.

Upon recommendation from the Board of Director and resolution from of the extraordinary general assembly meeting, it was approved to change the name and legal form of the Company from Islamic Securities Company (Qatari Shareholding Company) to Islamic Holding Group.(Qatari Shareholding Company) (“Company”), conversion has been done upon a resolution of Qatar Finance Market Authority and approval of Ministry of Economy and Commerce dated 19 July 2010.

The Consolidated financial statements comprises the financial statements of the Company and its subsidiary “Islamic financial Securities Company (together referred to as the “Group”). Islamic Financial Securities Company (the subsidiary) registered in Qatar under commercial registration no. (46645) as a Single Owned Company on 19 July 2010 as it is fully owned by Islamic Holding Group (Q.S.C). The subsidiary provides monetary brokerage services.

The principal activities of the Group are investing activities including real estate and brokerage services in Qatar Exchange through its subsidiary companies in accordance with Islamic Sharea’a.

The interim condensed consolidated financial statements as at 30 September 2013 comprise the interim condensed financial statements of the Company and its subsidiaries (together referred to as the “Group”) as at 30 September 2013. The subsidiaries of the Group as at 30 September 2013 are as follows:

<i>Company’s name</i>	<i>Country of incorporation</i>	<i>Company’s activities</i>	<i>Percentage of ownership 30 September 2013</i>	<i>Percentage of ownership 31 December 2012</i>
Islamic Financial Securities Company (S.O.C)	Qatar	Brokerage services	100%	100%
Ajyad Real Estate Company (S.O.C) (i)	Qatar	Real Estate	100%	100%

Note:

- (i) The Company was established on 4 September 2012 as Single Owner Company which is fully owned by the Group.

The interim condensed consolidated financial statements of the Group for the nine months ended 30 September 2013 were authorised for issue in accordance with a resolution of the Board of Directors on 9 October 2013.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial statements of the Company and its subsidiaries (together referred to as the “Group”) for the nine months ended 30 September 2013 have been prepared in accordance with the International Accounting Standard 34 - "Interim Financial Reporting".

The interim condensed consolidated financial statements do not contain all information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2012.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New standards and amendments

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2012, except for the adoption of the following new standards and amendments:

<i>Standard</i>	<i>Content</i>
IAS 1	Clarification of the requirements for comparative information (Amendment)
IAS 28	Investments in Associates and Joint Ventures
IAS 34	Interim financial reporting and segment information for total assets and liabilities (Amendment)
IFRS 7	Financial instruments: Disclosures- Offsetting Financial Assets and Financial Liabilities (Amendment)
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement

These new standards and amendments affected presentation only and had no impact on the Group's consolidated financial position or performance.

In addition, the following standard has been issued but not yet effective:

<i>Standard</i>	<i>Content</i>
IFRS 9	Financial Instruments: Classification and Measurement (Effective 1 January 2015)

The Group is assessing the impact of this standard on its consolidated financial position and performance on future periods.

3 CASH AND BANK BALANCES

	<i>Nine months ended 30 September 2013 (Unaudited) QR</i>	<i>Nine months ended 30 September 2012 (Unaudited) QR</i>	<i>31 December 2012 (Audited) QR</i>
Bank balances	<u>44,055,560</u>	<u>1,028,725,155</u>	<u>1,029,249,827</u>

For the purpose of preparation the interim consolidated statement of cash flows, Wakala amounts included under bank balances and disclosed under note 7 have been excluded which amounted to zero Qatari Riyal as at 30 September 2013 (30 September 2012: 600 million Qatari Riyal)

Islamic Holding Group (Q.S.C.)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2013

4 BANK BALANCES – CUSTOMERS’ FUNDS

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

5 PREPAYMENTS AND OTHER DEBIT BALANCES

	<i>30 September 2013 (Unaudited) QR</i>	<i>31 December 2012 (Audited) QR</i>
Refundable deposits	2,000,250	2,000,250
Advances to purchase trading properties	1,400,000	-
Prepaid expenses	748,433	731,164
Accrued revenue from saving accounts with Islamic banks	133,875	462,515
Islamic Brokerage Company - Syria	76,015	-
Other assets	-	600
Total	4,358,573	3,194,529

6 AVAILABLE FOR SALE INVESTMENTS

Available for sale investments include the following:

	<i>30 September 2013 (Unaudited) QR</i>	<i>31 December 2012 (Audited) QR</i>
Quoted equity securities		
Equity securities – Qatar	2,246,579	6,208,423
Unquoted equity securities		
Equity securities – Qatar	2,550,000	2,550,000
Equity securities – Syria	-	219,780
Total unquoted	2,550,000	2,769,780
Total	4,796,579	8,978,203

7 DUE TO A RELATED PARTY FROM WAKALA CONTRACTS

Based on a correspondence between the Group and a related party, Qatar International Islamic Bank Q.S.C (the “Bank”) dated July 25, 2013, the Bank has terminated the two Wakala agreements with the Group, whereby the Group has invested a total amount of QR 1,000,000,000 (2012: QR 1,000,000,000) on behalf of the Bank with Islamic financial institutions until the termination date.

Islamic Holding Group (Q.S.C.)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2013

8 ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	<i>30 September 2013 (Unaudited) QR</i>	<i>31 December 2012 (Audited) QR</i>
Dividends payable	746,179	272,815
Notes payable	428,155	-
Accrued expenses	264,374	1,409,662
Other liabilities	42,740	-
Provision for sport and social activities contribution	-	151,213
Total	<u>1,481,448</u>	<u>1,833,690</u>

9 PAID UP SHARE CAPITAL

	<i>30 September 2013 (Unaudited) QR</i>	<i>31 December 2012 (Audited) QR</i>
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>

According to Board of Directors' resolution no.14/2013 dated 14 May 2013, the shareholders are called to pay off the unpaid 25% of the share capital based on the article of association and in coordination with the Ministry of Economy and Trade. The shareholders have paid QR 9,869,293 which represents 98.7% from the remaining unpaid share capital of QR 10,000,000.

10 NET GAIN ON SALE OF TRADING PROPERTIES

During the period, the Group has signed a joint agreement with Al Tashelat Islamic Company W.L.L, for purchasing properties from a related party, Qatar International Islamic Bank Q.S.C, which was sold subsequently to another third party. The details of the transaction is summarised below as follow:

	<i>Nine months ended 30 September 2013 (Unaudited)</i>	<i>Nine months ended 30 September 2012 (Unaudited)</i>
Proceed from sale of trading properties	22,010,569	-
Cost of purchase of trading properties	<u>(20,588,650)</u>	<u>-</u>
Net gain on sale of trading properties	<u>1,421,919</u>	<u>-</u>

Islamic Holding Group (Q.S.C.)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2013

11 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing profit for the period by the weighted average number of ordinary shares outstanding during the period as follows:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
Profit for the period (QR)	2,613,234	1,431,074	7,015,112	5,617,238
Weighted average number of shares	4,000,000	4,000,000	4,000,000	4,000,000
Basic and diluted earnings per share (QR)	0.65	0.36	1.75	1.40

12 RELATED PARTIES TRANSACTIONS

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

Transactions with related parties included in the interim consolidated statement of income are as follows:

	<i>Nine months ended</i>	<i>Nine months ended</i>
	<i>30 September</i>	<i>30 September</i>
	<i>2013</i>	<i>2012</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>QR</i>	<i>QR</i>
Income from saving accounts with Islamic banks	1,291,130	1,504,010
Brokerage and commission income, net	42,695	89,379
Returned commissions	4,915	17,218
Income from Wakala contracts	757,649	360,000

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

	<i>30 September</i>	<i>31 December</i>
	<i>2013</i>	<i>2012</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>QR</i>	<i>QR</i>
Bank balances	249,568,226	138,764,027
Due to a related party from Wakala contracts	-	1,000,000,000

Islamic Holding Group (Q.S.C.)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2013

12 RELATED PARTIES TRANSACTIONS (CONTINUED)

Key management remuneration

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

	<i>Nine months ended 30 September 2013 (Unaudited) QR</i>	<i>Nine Months ended 30 September 2012 (Unaudited) QR</i>
Short term benefits	<u>811,700</u>	<u>975,400</u>

13 FINANCIAL INSTRUMENTS

Set out below is an overview of financial instruments, other than cash and bank balances and bank balances – customers' funds, held by the Group at:

<i>30 September 2013 (Unaudited)</i>	<i>Loans and receivables QR</i>	<i>Available for sale QR</i>
Financial assets:		
Due from customers	159,734	-
Other debit balances	<u>2,210,140</u>	<u>-</u>
	<u>2,369,874</u>	<u>-</u>
Available-for-sale investments	<u>-</u>	<u>4,796,579</u>
Total	<u>2,369,874</u>	<u>4,796,579</u>
Financial liabilities:		
Due to customers	211,607,874	-
Accrued expenses and other credit balances	<u>1,481,448</u>	<u>-</u>
Total	<u>213,089,322</u>	<u>-</u>

Islamic Holding Group (Q.S.C.)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2013

13 FINANCIAL INSTRUMENTS (CONTINUED)

<i>31 December 2012 (Audited)</i>	<i>Loans and receivables QR</i>	<i>Available for sale QR</i>
Financial assets:		
Due from customers	12,169,194	-
Other debit balances	<u>2,462,765</u>	<u>-</u>
	<u>14,631,959</u>	<u>-</u>
Available-for-sale investments	<u>-</u>	<u>8,978,203</u>
Total	<u><u>14,631,959</u></u>	<u><u>8,978,203</u></u>
Financial liabilities:		
Due to customers	118,437,571	-
Due to Qatar Exchange	37,789,261	-
Due to a related party from Wakala contracts	1,000,000,000	-
Accrued expenses and other credit balances	<u>1,833,690</u>	<u>-</u>
Total	<u><u>1,158,060,522</u></u>	<u><u>-</u></u>

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial investments 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

For financial instruments that are recognised at fair value of a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

As at 30 September 2013, the Group held the following financial instruments measured at fair value:

<i>30 September 2013 (Unaudited)</i>	<i>Fair value QR</i>	<i>Level 1 QR</i>	<i>Level 2 QR</i>	<i>Level 3 QR</i>
Available for sale investments	<u>2,246,579</u>	<u>2,246,579</u>	<u>-</u>	<u>2,550,000</u>
	<i>Fair value QR</i>	<i>Level 1 QR</i>	<i>Level 2 QR</i>	<i>Level 3 QR</i>
<i>31 December 2012 (Audited)</i>				
Available for sale investments	<u>6,208,423</u>	<u>6,208,423</u>	<u>-</u>	<u>2,769,780</u>

During the period ended on 30 September 2013, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Islamic Holding Group (Q.S.C.)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2013

13 FINANCIAL INSTRUMENTS (CONTINUED)

Impairment

Available for sale investments

For available for sale investments, the Group assess at each reporting date whether there is objective evidence that an investment or group of investments is impaired. In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of the investments below its cost. The determination of what is 'significant' or 'prolonged' requires judgment. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. The Group has identified an impairment of QR 475,634 on quoted equity securities which was recorded under impairment losses on available for sale in the interim consolidated statement of income.

14 SEGMENT INFORMATION

Based on the nature of core activities of the business, the Group is segmented into nine major operating segments. The major operating segments are given below with their respective revenue, results and analysis of assets and liabilities

Segment revenue and results

	<i>Revenue</i>		<i>Results</i>	
	<i>Nine months ended 30 September 2013 (Unaudited) QR</i>	<i>Nine months ended 30 September 2012 (Unaudited) QR</i>	<i>Nine months ended 30 September 2013 (Unaudited) QR</i>	<i>Nine months ended 30 September 2012 (Unaudited) QR</i>
Brokerage services	12,169,791	14,426,011	3,967,258	3,947,413
Real estate activities	22,010,569	-	1,421,919	-
Other investments	3,112,444	2,271,132	1,625,935	1,669,825
Total	37,292,804	16,697,143	7,015,112	5,617,238

Segment assets and liabilities

	<i>Assets</i>		<i>Liabilities</i>	
	<i>30 September 2013 (Unaudited) QR</i>	<i>31 December 2012 (Audited) QR</i>	<i>30 September 2013 (Unaudited) QR</i>	<i>31 December 2012 (Audited) QR</i>
Brokerage services	248,879,167	164,325,004	222,215,261	158,857,862
Real estate activities	-	-	-	-
Other investments	31,233,713	1,038,690,545	753,679	1,000,000,000
Total	280,112,880	1,203,015,549	222,968,940	1,158,857,862

15 CONTINGENT LIABILITIES

	<i>30 September 2013 (Unaudited) QR</i>	<i>31 December 2012 (Audited) QR</i>
Letters of guarantee	85,000,000	1,085,000,000

16 COMPARATIVE FIGURES

Certain comparative figures pertaining to previous period/year have been reclassified in order to conform to the presentation of the current period and improve the quality of the information presented. However, such reclassifications do not affect the previously reported profit or equity.