Islamic Holding Group (Q.S.C.)

UNAUDITED INTERIM CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS

30 SEPTEMBER 2016

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 condensed consolidated statement of financial position of Islamic Holding Group (Q.S.C) (the “Company”) and its subsidiaries (together referred to as the “Group”) as of 30 September 2016 and the related interim consolidated statements of income and comprehensive income for the three-month and nine-month period ended 30 September 2016 and the interim consolidated statements of changes in equity and cash flows for the nine-month period then ended and the related explanatory notes. Management of the parent company 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.

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

Date: 18 October 2016
Doha

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2016

	Notes	***30 September 2016 (Unaudited) QR***	*31 December 2015 (Audited) QR*
ASSETS			
Current assets			
Bank balances	3	**127,801,194**	51,134,088
Bank balances - customers' funds	4	**294,283,102**	157,877,026
Due from Qatar Central Securities Depository (QCSD)		**824,599**	24,582,819
Prepayments and other debit balances	5	**2,702,456**	2,991,448
Total current assets		**425,611,351**	236,585,381
Non-current assets			
Investment properties	6	**8,412,907**	8,412,907
Available for sale financial assets	7	**3,287,986**	3,287,986
Property and equipment		**1,017,482**	896,281
Total non-current assets		**12,718,375**	12,597,174
Total assets		**438,329,726**	249,182,555
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Due to customers		**295,079,777**	182,524,590
Accrued expenses and other credit balances	8	**2,004,716**	3,512,595
Total current liabilities		**297,084,493**	186,037,185
Non-current liability			
Employees' end of service benefits		**1,279,783**	1,164,229
Total liabilities		**298,364,276**	187,201,414
Shareholders' equity			
Share capital	9	**56,635,810**	40,000,000
Legal reserve		**78,780,322**	12,638,207
Retained earnings		**4,549,318**	9,342,934
Total shareholders' equity		**139,965,450**	61,981,141
Total liabilities and shareholders' equity		**438,329,726**	249,182,555

Dr. Yousuf Ahmad Hussain Al Nama
Chairman and Managing Director

Khalid Mohamed A R Al-Emadi
Board Member

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2016

	Notes	*Three months ended* **30 September 2016**	*30 September 2015*	*Nine months ended* **30 September 2016**	*30 September 2015*
		(Unaudited)		*(Unaudited)*	
		QR	*QR*	***QR***	*QR*
Brokerage and commission income		**6,071,425**	2,482,881	**9,149,621**	15,135,602
Brokerage and commission expense		**(4,285,704)**	(703,695)	**(2,783,544)**	(4,130,430)
Brokerage and commission income, net		**1,785,721**	1,779,186	**6,366,077**	11,005,172
Gain on sale of investment properties	6	**-**	-	**-**	1,185,870
Income from saving accounts with Islamic banks		**557,217**	130,339	**1,266,335**	380,477
Net loss from sale of available for sale financial assets		**-**	-	**-**	(402,326)
Dividend income		**-**	1,030	**-**	98,280
Net operating income		**2,342,938**	1,910,555	**7,632,412**	12,267,473
Other income		**-**	-	**-**	3,540
General and administrative expenses		**(2,090,632)**	(2,078,975)	**(6,426,028)**	(6,403,272)
Profit /(Loss) for the period		**252,306**	(168,420)	**1,206,384**	5,867,741
Basic and diluted earnings per share	11	**0.04**	(0.04)	**0.21**	1.47

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the nine months ended 30 September 2016

	Three months ended		*Nine months ended*	
	30 September 2016	*30 September 2015*	***30 September 2016***	*30 September 2015*
	(Unaudited)		*(Unaudited)*	
	QR	*QR*	***QR***	*QR*
Profit /(Loss) for the period	**252,306**	(168,420)	**1,206,384**	5,867,741
Other comprehensive income:				
Other comprehensive income that reclassified or to be reclassified to profit or loss in subsequent periods:				
Net income on disposal of available-for-sale financial assets reclassified to the interim condensed consolidated statement of income	**-**	-	**-**	249,962
Total comprehensive income for the period	**252,306**	(168,420)	**1,206,384**	6,117,703

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine months ended 30 September 2016

	Share capital QR	*Legal reserve QR*	*Retained earnings QR*	*Total QR*
As at 1 January 2016 (Audited)	40,000,000	12,638,207	9,342,934	61,981,141
Profit for the period	-	-	1,206,384	1,206,384
Total comprehensive income for the period	-	-	1,206,384	1,206,384
Dividends paid to shareholders (Note 10)	-	-	(6,000,000)	(6,000,000)
Share capital increase (Note 9)	16,635,810	66,142,115	-	82,777,925
As at 30 September 2016 (Unaudited)	**56,635,810**	**78,780,322**	**4,549,318**	**139,965,450**

	Share capital QR	*Legal reserve QR*	*Retained earnings QR*	*Fair value reserve QR*	*Total QR*
As at 1 January 2015 (Audited)	40,000,000	11,909,409	16,113,566	(249,962)	67,773,013
Profit for the period	-	-	5,867,741	-	5,867,741
Other comprehensive loss for the period	-	-	-	249,962	249,962
Total comprehensive income for the period	-	-	5,867,741	249,962	6,117,703
Dividends paid to shareholders (Note 10)	-	-	(12,000,000)	-	(12,000,000)
As at 30 September 2015 (Unaudited)	40,000,000	11,909,409	9,981,307	-	61,890,716

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2016

	Notes	**Nine months ended 30 September 2016 (Unaudited) QR**	Nine months ended 30 September 2015 (Unaudited) QR
Operating activities			
Profit for the period		**1,206,384**	5,867,741
Adjustments for:			
Depreciation expense		**228,266**	165,540
Bank charges		**171,095**	166,738
Income from saving accounts with Islamic banks		**(1,266,335)**	(380,477)
Dividends income		**-**	(98,280)
Net loss from sale of available for sale financial assets		**-**	402,326
Net gain from sale of investment properties	6	**-**	(1,185,870)
Provision for employees' end of service benefits		**115,554**	138,344
		454,964	5,076,062
Working capital adjustments:			
Bank balances – customers' funds		**(136,406,076)**	255,846,731
Due to/from Qatar Exchange		**23,758,220**	39,483,981
Prepayments and other debit balances		**288,992**	(3,595,876)
Due to customers		**112,555,187**	(296,320,117)
Accrued expenses and other credit balances		**(1,507,879)**	(636,363)
		(856,592)	(145,582)
Cash flows from operations			
Bank charges		**(171,095)**	(166,738)
Employees end of service benefits paid		**-**	(99,820)
Net cash flows used in operating activities		**(1,027,687)**	(412,140)
Investing activities			
Proceeds from increase in share capital		**16,635,810**	-
Proceeds from increase in legal reserve		**66,142,115**	-
Purchases of property and equipment		**(349,467)**	(791,505)
Proceeds from sale of available for sale financial assets		**-**	2,122,267
Proceeds from sale of available for sale investments		**-**	-
Proceeds from sales of investment properties	6	**-**	6,800,000
Dividends income		**-**	98,280
Income from saving accounts with Islamic banks received		**1,266,335**	380,477
Cash flows from investing activities		**83,694,793**	8,609,519
Financing activity			
Dividends paid to shareholders	10	**(6,000,000)**	(12,000,000)
Cash flows used in financing activity		**(6,000,000)**	(12,000,000)
Net increase (decrease) in Bank balances		**76,667,106**	(3,802,621)
Bank balances at 1 January		**51,134,088**	53,604,864
Bank balances at 30 September	3	**127,801,194**	49,802,243

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

1 GENERAL INFORMATION

Islamic Holding Group (Q.S.C) is a Qatari Public shareholding Company and registered under the Commercial Registration under No. 26337. The principal activities of the Company are investing in shares, bonds and brokerage services in Qatar Exchange according to the Islamic Sharea'a. The Company is governed by the provisions of Qatar Commercial Companies' Law No.11 of 2015 and the regulations of Qatar Financial Market Authority and Qatar Exchange.

2 BASIS OF PREPARATION AND CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements of the Company and its subsidiaries for the nine months ended 30 September 2016 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 2015. In addition, results for the nine months ended 30 September 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016.

2.2 Basis of consolidation

The interim condensed consolidated financial statements comprise the interim condensed financial statement of the Company and its subsidiaries as at 30 September 2016.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The interim condensed financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Where the ownership of a subsidiary is less than 100% and, therefore, a non-controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income of the period, even if that results in a deficit balance.

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interest;
- Derecognizes the cumulative translation differences, recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

The Group's subsidiaries included in these interim condensed consolidated financial statements are:

Company's name	*Country of incorporation*	*Company's activities*	***Percentage of ownership 30 September 2016***	*Percentage of ownership 31 December 2015*
Islamic Financial Securities Company (W.L.L.)	Qatar	Brokerage services	**100%**	100%
Ajyad Real Estate Company (W.L.L.)	Qatar	Real Estate	**100%**	100%

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

2 BASIS OF PREPARATION AND CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 New standards, interpretation 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 2015, except for the adoption of new standards and interpretations effective as of 1 January 2016. 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 2016, they do not have a material impact on the consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group. The nature and the impact of each new standard or amendment is described below:

IFRS 14 Regulatory Deferral Accounts
IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and OCI. The standard requires disclosure of the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements.

IFRS 14 is effective for annual periods beginning on or after 1 January 2016. Since the Group is an existing IFRS preparer and is not involved in any rate-regulated activities, this standard does not apply.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests
The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant

IFRS 3 Business Combinations principles for business combination accounting.
The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation if joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group as there has been no interest acquired in a joint operation during the period.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
The amendments clarify the principle in IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is a part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact to the Group given that the Group has not used a revenue-based method to depreciate its noncurrent assets

2 BASIS OF PREPARATION AND CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 New standards, interpretation and amendments (continued)

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41 *Agriculture*. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* will apply. The amendments are retrospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact to the Group as the Group does not have any bearer plants.

Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in their separate financial statements will have to apply that change retrospectively. First-time adopters of IFRS electing to use the equity method in their separate financial statements will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group’s consolidated financial statements.

Annual Improvements 2012-2014 Cycle

These improvements are effective for annual periods beginning on or after 1 January 2016. They include:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment must be applied prospectively.

IFRS 7 Financial Instruments: Disclosures

(i) Servicing contracts

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.

(ii) Applicability of the amendments to IFRS 7 to condensed interim financial statements The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment must be applied retrospectively.

IAS 19 Employee Benefits

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied prospectively.

2 BASIS OF PREPARATION AND CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 New standards, interpretation and amendments (continued)

IAS 34 Interim Financial Reporting
The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment must be applied retrospectively. These amendments do not have any impact on the Group.

Amendments to IAS 1 Disclosure Initiative
The amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of comprehensive income. These amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception
The amendments address issues that have arisen in applying the investment entities exception under
IFRS 10 *Consolidated Financial Statements*. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 *Investments in Associates and Joint Ventures* allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

These amendments must be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group as the Group does not apply the consolidation exception.

3 BANK BALANCES

	30 September 2016 (Unaudited) QR	*31 December 2015 (Audited) QR*
Bank balances	**127,801,194**	51,134,088

4 BANK BALANCES – CUSTOMERS' FUND

Represent 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. These bank balances are in correspondence with the due to customers account as a liability.

5 PREPAYMENTS AND OTHER DEBIT BALANCES

	30 September 2016 (Unaudited) QR	*31 December 2015 (Audited) QR*
Refundable deposits	**2,000,250**	2,000,250
Prepaid expenses	**614,590**	911,603
Other assets	**87,616**	79,595
Total	**2,702,456**	2,991,448

6 INVESTMENT PROPERTIES

During the nine months period ended 30 September 2015, the Group sold an investment property to Al Tashelat Islamic Company W.L.L , a related party, while there are no investments properties sold for the nine months period ended 30 September 2016. The details of this transaction are summarised as follow:

	Three months ended		*Nine months ended*	
	30 September 2016 (Unaudited) QR	*30 September 2015 (Unaudited) QR*	***30 September 2016 (Unaudited) QR***	*30 September 2015 (Unaudited) QR*
Proceed from sale of investment properties	**-**	-	**-**	6,800,000
Cost of purchase of investment properties	**-**	-	**-**	(5,614,130)
Net gain on sale of investment properties	**-**	-	**-**	1,185,870

The fair value of the investment properties has been determined on 31 December 2015.The management believes that the market condition has not changed significantly compared to 31 December 2015, the date on which an independent valuation has been conducted.

7 AVAILABLE FOR SALE FINANCIAL ASSETS

Available for sale financial assets include the following:

	30 September 2016 (Unaudited) QR	*31 December 2015 (Audited) QR*
Unquoted equity securities		
Equity securities – Qatar	**3,287,986**	3,287,986
Total	**3,287,986**	3,287,986

Equity securities represents investment made in a privately held Company in the State of Qatar. This investment is recorded at cost since the fair value cannot be reliably measured. Management believes that the balance is not impaired based on the latest available information.

8 ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	30 September 2016 (Unaudited) QR	*31 December 2015 (Audited) QR*
Unclaimed dividends (Note 13)	**1,551,094**	1,165,873
Accrued expenses	**258,194**	291,105
Notes payable	**107,039**	214,078
Al Tashelat Islamic Company W.L.L (Note 13)	**-**	840,000
Provision for sport and social activities contribution	**-**	152,774
Directors remunerations	**-**	304,500
Dividends payable	**-**	370,725
Other liabilities	**88,389**	173,540
Total	**2,004,716**	3,512,595

9 SHARE CAPITAL

	30 September 2016 (Unaudited) QR	*31 December 2015 (Audited) QR*
Authorised and paid up 5,663,581 shares with a value of QR 10 per share (31 December 2015: 4,000,000 Units)	**56,635,810**	40,000,000

During the period, the group has increased the authorised capital from 4,000,000 units to 5,663,581 units after completing subscription in the right issue process and amending the commercial register.

On shareholders meeting dated 15 March 2015, the Board of Directors proposed to increase the current share capital by 50% with a total number of shares to become 6,000,000 shares. During its meeting dated 4 May 2015, the share price was determined by the Board of Directors, upon a fair value study prepared by an independent evaluator, to be QR 10 per unit in addition to QR 40 as share premium through private offering to shareholders. As a result of the subscription in the right issue process during 2016, the capital has increased by QR 16,635,810 and the share premium was QR 66,142,115 which is included in the legal reserve in accordance with company law No. 11 of 2015.

10 DIVIDENDS

The Annual General Assembly Meeting of the Company that was held on 16 February 2016 approved QR 1.5 per share totalling to QR 6,000,000 as cash dividends relating to 2015.

The Annual General Assembly Meeting of the Company that was held on 11 February 2015 approved QR 3 per share totalling to QR 12,000,000 as cash dividends relating to 2014.

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:

	Three months ended 30 September		*Nine months ended 30 September*	
	2016	*2015*	***2016***	*2015*
	(Unaudited)		*(Unaudited)*	
	QR	*QR*	***QR***	*QR*
Profit /Loss for the period (QR)	**252,306**	(168,420)	**1,206,384**	5,867,741
Weighted average number of shares	**5,663,581**	4,000,000	**5,663,581**	4,000,000
Basic and diluted earnings per share (QR)	**0.04**	(0.04)	**0.21**	1.47

There were no potentially dilutive shares outstanding at any time during the period and therefore, the diluted earnings per share is equal to the basic earnings per share.

12 CONTINGENT LIABILITIES

	30 September 2016 (Unaudited) QR	*31 December 2015 (Audited) QR*
Letters of guarantee	**125,000,000**	125,000,000

13 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:

	Three months ended		***Nine months ended***	
	30 September 2016 (Unaudited) QR	*30 September 2015 (Unaudited) QR*	***30 September 2016 (Unaudited) QR***	*30 September 2015 (Unaudited) QR*
Income from saving accounts with Islamic banks (shareholder)	**127,225**	110,174	**386,934**	295,458
Brokerage and commission income, net (subsidiary)	**1,475,229**	1,219,632	**4,085,796**	1,931,327
Returned commissions (subsidiary)	**(737,615)**	(285,674)	**(2,040,623)**	(967,571)
Gain on sale of investment properties	**-**	-	**-**	1,185,870

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

Due to related parties:

	30 September 2016 (Unaudited)	*31 December 2015 (Audited)*
Al Tashelat Islamic Company W.L.L. (Related party) (Note 8)	-	840,000
Unclaimed dividends (Note 8)	**1,551,094**	1,165,873

	30 September 2016 (Unaudited)	*31 December 2015 (Audited)*
Bank balances- Group Funds (shareholder's of the parent company)	**60,573,165**	39,103,796
Bank balances- Customer Funds (shareholder's of the parent company)	**294,283,102**	157,876,687

Key management remuneration

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

	Nine months ended 30 September 2016 (Unaudited) QR	*Nine Months ended 30 September 2015 (Unaudited) QR*
Short term benefits	**1,028,700**	1,007,700

14 FINANCIAL INSTRUMENTS

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 on 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.

The group does not have any financial instrument carried at fair value. Unquoted available for sale equity investments amounting to QR 3,287,986 (31 December 2015: QR 3,287,986) are recorded at cost since the fair value cannot be reliably measured. As at 30 September 2016, the management has assessed that there is no indication of impairment for the unquoted available for sale financial assets.

15 SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their nature of activities and has nine reportable segments and other activities. The nine reportable segments are as follows:

–Brokerage – this segment includes financial brokerage services provided to customers;
–Real Estate – this segment includes providing property management, marketing and sales services for real estate
–Others – represents the Holding Company, which provides corporate services to the subsidiaries in the Group.

Management monitors the operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss. Transfer pricing between operating segments are on arm's length basis in a manner similar to transactions with third parties.

Nine months ended 30 September 2016 (Unaudited)	*Brokerage Service QR*	*Real estate QR*	*Other QR*	*Total QR*	*Adjustments and eliminations QR*	*Consolidated QR*
Net brokerage and commission income	**6,366,077**	**-**	**-**	**6,366,077**	**-**	**6,366,077**
Others	**-**	**416,023**	**1,460,231**	**1,876,254**	**(609,919)**	**1,266,335**
Segment revenue	**6,366,077**	**416,023**	**1,460,231**	**8,242,331**	**8,242,331**	**7,632,412**
Segment profit	**1,428,221**	**316,719**	**5,983,060**	**7,728,000**	**(6,521,616)**	**1,206,384**
Depreciation	**199,367**	**-**	**28,899**	**228,266**	**-**	**228,266**

15 SEGMENT INFORMATION (CONTINUED)

Nine months ended 30 September 2015 (Unaudited)	*Brokerage Service QR*	*Real estate QR*	*Other QR*	*Total QR*	*Adjustments and eliminations QR*	*Consolidated QR*
Net brokerage and commission income	11,005,172	-	-	11,005,172	-	11,005,172
Gain on sale of Investment property	-	1,185,870	-	1,185,870	-	1,185,870
Others	281,553	9,074	15,740,458	16,031,085	(15,548,788)	482,297
Segment revenue	11,286,725	1,194,944	15,740,458	28,222,127	(15,548,788)	12,673,339
Segment profit	5,553,382	1,095,405	14,211,542	20,860,329	(14,992,588)	5,867,741
Depreciation	140,828	-	24,712	165,540	-	165,540

The following table presents the segment assets and liabilities:

At 30 September 2016 (Unaudited)	***Brokerage Service QR***	***Real estate QR***	***Other QR***	***Total QR***	***Adjustments and eliminations QR***	***Consolidated QR***
Segment assets	**352,630,663**	**50,610,699**	**135,282,261**	**538,523,623**	**(100,193,897)**	**438,329,726**
Segment liabilities	**296,698,720**	**50,191**	**1,809,263**	**298,558,174**	**(193,898)**	**298,364,276**

At 31 December 2015 (Audited)	*Brokerage Service QR*	*Real estate QR*	*Other QR*	*Total QR*	*Adjustments and eliminations QR*	*Consolidated QR*
Segment assets	225,006,290	9,010,876	51,382,943	285,400,109	(36,217,554)	249,182,555
Segment liabilities	184,744,411	2,948,009	726,552	188,418,972	(1,217,558)	187,201,414

The Group's operations are located in the State of Qatar.