



**QINVEST**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
31 MARCH 2017**

PARTNERS IN VALUE CREATION



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## REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF QINVEST LLC

### Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of QInvest LLC ("QInvest" or the "Bank") and its subsidiaries (together referred to as the "Group") as at 31 March 2017, and the related interim consolidated statements of income, and the related interim consolidated statements of changes in shareholders' equity, interim consolidated statement of changes in restricted investment accounts and interim consolidated statement of cash flows for the three-month period then ended and the related explanatory notes.

The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the accounting policies disclosed in Note 2. 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. Consequently, it 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 the accounting policies disclosed in Note 2.

*Ernst & Young*

Ernst & Young

Date: 18 April 2017  
 Doha  
 State of Qatar



# INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017 (QAR)



	31 March 2017 (Reviewed) QAR '000	31 December 2016 (Audited) QAR '000
<b>ASSETS</b>		
Cash and bank balances	72,363	93,162
Placements with banks	300,002	651,327
Financing assets	1,599,900	1,607,308
Investment securities	1,635,659	1,386,600
Investment in real estate	356,771	344,293
Investment in property lease	182,113	172,081
Investment in associates	244,728	238,074
Other assets	187,886	196,330
<b>TOTAL ASSETS</b>	<b>4,579,422</b>	<b>4,689,175</b>
<b>LIABILITIES</b>		
Financing liabilities	1,780,670	1,906,861
Other liabilities	105,516	106,943
<b>TOTAL LIABILITIES</b>	<b>1,886,186</b>	<b>2,013,804</b>
<b>EQUITY</b>		
Share capital	2,730,000	2,730,000
Share premium	27,300	27,300
Treasury shares	(182,000)	(182,000)
Other reserves	31,235	32,316
Accumulated losses	(29,218)	(42,522)
<b>Total equity attributable to shareholders of the Bank</b>	<b>2,577,317</b>	<b>2,565,094</b>
<b>Non-controlling interests</b>	<b>115,919</b>	<b>110,277</b>
<b>Total equity</b>	<b>2,693,236</b>	<b>2,675,371</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>4,579,422</b>	<b>4,689,175</b>
<b>Off-balance sheet items</b>		
Restricted investment accounts	1,109,552	891,436

**Sheikh Jassim Bin Hamad Bin Jassim Bin Jabor Al Thani**  
Chairman

**Tamim Hamad Al-Kawari**  
Chief Executive Officer

# INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three months period ended 31 March 2017 (QAR)



	Three months period ended	
	31 March 2017 (Reviewed) QAR '000	31 March 2016 (Reviewed) QAR '000
Fee and commission income	14,080	23,878
Income from financing assets	45,296	47,775
Net gain from investments	35,916	31,825
Income from placements with banks	2,442	470
Share of results of associates	1,558	(3,844)
Profit from a subsidiary held for sale	-	1,711
Other income	477	604
<b>Total operating revenue</b>	<b>99,769</b>	<b>102,419</b>
Staff costs	(33,990)	(37,099)
General and administrative expenses	(12,471)	(12,521)
Depreciation and amortisation	(925)	(874)
<b>Total operating expenses</b>	<b>(47,386)</b>	<b>(50,494)</b>
<b>Operating profit</b>	<b>52,383</b>	<b>51,925</b>
Finance expenses	(19,157)	(13,424)
Impairment losses on financial assets	(16,380)	(1,456)
<b>Profit before tax</b>	<b>16,846</b>	<b>37,045</b>
Tax expense	(1,824)	(11)
<b>Net profit for the period</b>	<b>15,022</b>	<b>37,034</b>
Attributable to:		
Shareholders of the Bank	13,304	36,477
Non-controlling interests	1,718	557
	<b>15,022</b>	<b>37,034</b>

# INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017 (US\$)



	Notes	31 March 2017 (Reviewed) US\$ '000	31 December 2016 (Audited) US\$ '000
<b>ASSETS</b>			
Cash and bank balances		19,880	25,594
Placements with banks		82,418	178,936
Financing assets	3	439,533	441,568
Investment securities	4	449,357	380,934
Investment in real estate		98,014	94,586
Investment in property lease		50,031	47,275
Investment in associates		67,233	65,405
Other assets		51,617	53,937
<b>TOTAL ASSETS</b>		<b>1,258,083</b>	<b>1,288,235</b>
<b>LIABILITIES</b>			
Financing liabilities		489,195	523,863
Other liabilities		28,988	29,380
<b>Total liabilities</b>		<b>518,183</b>	<b>553,243</b>
<b>EQUITY</b>			
Share capital		750,000	750,000
Share premium		7,500	7,500
Treasury shares		(50,000)	(50,000)
Other reserves	9	8,581	8,878
Accumulated losses		(8,027)	(11,682)
<b>Total equity attributable to shareholders of the Bank</b>		<b>708,054</b>	<b>704,696</b>
<b>Non-controlling interests</b>		<b>31,846</b>	<b>30,296</b>
<b>Total equity</b>		<b>739,900</b>	<b>734,992</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,258,083</b>	<b>1,288,235</b>
<b>Off-balance sheet items</b>			
Restricted investment accounts		304,822	244,900

**Sheikh Jassim Bin Hamad Bin Jassim Bin Jabor Al Thani**  
Chairman

**Tamim Hamad Al-Kawari**  
Chief Executive Officer

# INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three months period ended 31 March 2017 (US\$)



	Notes	Three months period ended	
		31 March 2017 (Reviewed) US\$ '000	31 March 2016 (Reviewed) US\$ '000
Fee and commission income		3,868	6,560
Income from financing assets		12,444	13,125
Net gain from investments	6	9,867	8,743
Income from placements with banks		671	129
Share of results of associates		428	(1,056)
Profit from a subsidiary held for sale		-	470
Other income		131	166
<b>Total operating revenue</b>		<b>27,409</b>	<b>28,137</b>
Staff costs		(9,338)	(10,192)
General and administrative expenses		(3,426)	(3,440)
Depreciation and amortisation		(254)	(240)
<b>Total operating expenses</b>		<b>(13,018)</b>	<b>(13,872)</b>
<b>Operating profit</b>		<b>14,391</b>	<b>14,265</b>
Finance expenses		(5,263)	(3,688)
Impairment losses on financial assets	7	(4,500)	(400)
<b>Profit before tax</b>		<b>4,628</b>	<b>10,177</b>
Tax expense		(501)	(3)
<b>Net profit for the period</b>		<b>4,127</b>	<b>10,174</b>
Attributable to:			
Shareholders of the Bank		3,655	10,021
Non-controlling interests		472	153
		<b>4,127</b>	<b>10,174</b>

The accompanying notes from 1 to 12 form part of these interim condensed consolidated financial statements.

# INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the three months period ended 31 March 2017



	Attributable to shareholders of the bank					Total equity attributable to shareholders of the Bank US\$ '000	Non-controlling interests US\$ '000	Total Equity US\$ '000
	Share capital US\$ '000	Share premium US\$ '000	Treasury shares US\$ '000	Other reserves US\$ '000	Accumulated losses US\$ '000			
As at 1 January 2017 (Audited)	750,000	7,500	(50,000)	8,878	(11,682)	704,696	30,296	734,992
Profit for the period	-	-	-	-	3,655	3,655	472	4,127
Foreign currency translation differences of foreign operations	-	-	-	10,855	-	10,855	1,105	11,960
Effective portion of changes in fair value of hedges	-	-	-	(8,720)	-	(8,720)	-	(8,720)
Net change in fair value of investment designated as equity	-	-	-	(2,420)	-	(2,420)	-	(2,420)
Share-based payments	-	-	-	(12)	-	(12)	-	(12)
Net movement in non-controlling interests	-	-	-	-	-	-	(27)	(27)
<b>As at 31 March 2017 (Reviewed)</b>	<b>750,000</b>	<b>7,500</b>	<b>(50,000)</b>	<b>8,581</b>	<b>(8,027)</b>	<b>708,054</b>	<b>31,846</b>	<b>739,900</b>

	Attributable to shareholders of the bank					Total equity attributable to shareholders of the Bank US\$ '000	Non-controlling interests US\$ '000	Total Equity US\$ '000
	Share capital US\$ '000	Share premium US\$ '000	Treasury shares US\$ '000	Other reserves US\$ '000	Retained earnings/ (Accumulated losses) US\$ '000			
As at 1 January 2016 (Audited)	750,000	7,500	(50,000)	30,446	10,363	748,309	5,100	753,409
Profit for the period	-	-	-	-	10,021	10,021	153	10,174
Foreign currency translation differences of foreign operations	-	-	-	51	-	51	211	262
Effective portion of changes in fair value of hedges	-	-	-	(4,859)	-	(4,859)	-	(4,859)
Net change in fair value of investment designated as equity	-	-	-	(663)	-	(663)	-	(663)
Share-based payments	-	-	-	852	-	852	-	852
Dividends (Note 10)	-	-	-	-	(28,214)	(28,214)	-	(28,214)
Net movement in non-controlling interest	-	-	-	-	-	-	5,491	5,491
As at 31 March 2016 (Reviewed)	750,000	7,500	(50,000)	25,827	(7,830)	725,497	10,955	736,452

The accompanying notes from 1 to 12 form part of these interim condensed consolidated financial statements.

# INTERIM CONSOLIDATED STATEMENT OF CHANGES IN RESTRICTED INVESTMENT ACCOUNTS

For the three months period ended 31 March 2017



	Balance at 1 January 2017 (Audited) US\$'000	Movements during the year				Balance at 31 March 2017 (Reviewed) US\$'000
		Investment / (repayment) US\$'000	Revaluation US\$'000	Realised income US\$'000	Agency fees US\$'000	
<b>Restricted investment accounts</b>	<b>244,900</b>	<b>56,322</b>	<b>1,245</b>	<b>2,561</b>	<b>(206)</b>	<b>304,822</b>

	Balance at 1 January 2016 (Audited) US\$'000	Movements during the year					Balance at 31 March 2016 (Reviewed) US\$'000
		Acquisition of subsidiary US\$'000	Investment / (repayment) US\$'000	Revaluation US\$'000	Realised income / (expenses) US\$'000	Agency fees US\$'000	
Restricted investment accounts	158,451	5,322	(11,829)	592	(189)	(66)	152,281

The accompanying notes from 1 to 12 form part of these interim condensed consolidated financial statements.



# INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months period ended 31 March 2017



	Notes	Three months period ended	
		31 March 2017 (Reviewed) US\$ '000	31 March 2016 (Reviewed) US\$ '000
<b>OPERATING ACTIVITIES</b>			
Profit before tax		4,628	10,174
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Share of results of associates		(428)	1,056
Net unrealised foreign exchange losses / (gain)		16	(27)
Depreciation and amortization		254	240
Net fair value movements on investments		(5,215)	(1,879)
Impairment losses on financial assets	7	4,500	400
Employees' end of service benefits – net		(128)	294
Fair value loss on investment in real estate		300	-
Share based payments		(12)	852
Profit from a subsidiary held for sale		-	(470)
<b>Net operating profit before changes in operating assets and liabilities</b>		<b>3,915</b>	<b>10,640</b>
Change in financing assets		1,742	(22,589)
Change in other assets		(2,983)	(46,497)
Change in placement from bank		-	135,000
Change in other liabilities		(5,628)	6,070
<b>Net cash flows (used in) from operating activities</b>		<b>(2,954)</b>	<b>82,624</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of investment securities		(70,980)	(32,402)
Proceeds from disposal of investment securities		7,180	21,592
Investment in an associate		549	-
Acquisition of subsidiary, net of cash		-	(3,069)
Purchase of equipment and intangible assets		(19)	(168)
<b>Net cash flows used in investing activities</b>		<b>(63,270)</b>	<b>(14,047)</b>
<b>FINANCING ACTIVITIES</b>			
Movement in non-controlling interests		-	5,491
Dividend paid		-	(15,549)
Net movement in financing liabilities		(36,008)	31,825
<b>Net cash flows (used in) from financing activities</b>		<b>(36,008)</b>	<b>21,767</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(102,232)</b>	<b>90,344</b>
Cash and cash equivalents at 1 January		204,530	131,523
<b>Cash and cash equivalents at 31 March</b>	8	<b>102,298</b>	<b>221,867</b>

The accompanying notes from 1 to 12 form part of these interim condensed consolidated financial statements.

## 1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

QInvest LLC (“QInvest” or “the Bank”) is an Islamic investment bank having its registered office in Doha, State of Qatar, which has been established as a limited liability company in the Qatar Financial Centre. The Bank was authorised by the Qatar Financial Centre Regulatory Authority (“QFCRA”) on 30 April 2007 as a category 1 firm, under approval number 00048. Its registered office is at 39th Floor, Tornado Tower, Street No.213, Majlis Al Tawoon Street, Zone 60, West Bay, Doha, State of Qatar.

The Bank is authorised by the Qatar Financial Centre Regulatory Authority (the “QFCRA”) to conduct the following regulated activities:

- Deposit taking;
- Dealing in investments;
- Arranging deals in investments;
- Providing credit facilities;
- Arranging credit facilities;
- Providing custody services;
- Arranging the provision of custody services;
- Managing investments;
- Advising on investments; and
- Operating a collective investment fund

in or from the Qatar Financial Center, subject to certain restriction and conditions relating to retail customers and in relation to specified products.

The Bank’s activities are regulated by the QFCRA and are supervised by a Sharia’a Supervisory Board whose role is defined by the Bank.

The interim condensed consolidated financial statements of the Group for the three months period ended 31 March 2017 were authorised for issue by the Board of Directors on 18 April 2017

## 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

### Basis of preparation

The interim condensed consolidated financial statements of the Bank and its subsidiaries (together referred to as the “Group”) for the three months period ended 31 March 2017 have been prepared in accordance with the guidance given by 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 2016. In addition, results for the three months period ended 31 March 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

This interim condensed consolidated financial information are prepared on historical cost basis, except for financial investments classified as investments at fair value through equity, investments at fair value through income statement, derivative financial instruments, and investment in real estate that have been measured at fair value.

This interim condensed consolidated financial information is presented in US Dollars thousands (“US\$ ‘000”) except where otherwise stated.

The management of the Group has decided to present the interim consolidated statement of financial position and interim consolidated income statement in Qatari Riyals as well. Those two statements are disclosed at the beginning of the interim condensed consolidated financial statements as a supplementary information which do not form part of the reviewed interim condensed consolidated financial statements.

## 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

### Significant accounting policies

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 2016 except for the new and amended accounting standards listed below, which were prepared in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (the "AAOIFI") and the Shari'a Rules and Principles as determined by the Shari'a Supervisory Board of the Group. For matters which are not covered by AAOIFI standards, including "Interim Financial Reporting", the Group uses guidance from the relevant International Financial Reporting Standards (the "IFRSs") as issued by the International Accounting Standards Board ("IASB").

The following new and amended standards have been adopted by the Group in preparation of this interim condensed consolidated financial statement. The new standards do not have any material impact to the Group.

<b>Topic</b>	<b>Effective date</b>
Amendments to IAS 12 – Recognition of deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to IAS 7 – Disclosure Initiative	1 January 2017
Annual Improvements Cycle - 2014-2016	1 January 2017

### Standards issued 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 statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

<b>Topic</b>	<b>Effective date</b>
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 16 Leases	1 January 2019
IFRS 2 Classification and Measurement of Share-based Payment Transactions — Amendments to IFRS 2	1 January 2018

### Basis of consolidation

The Group's principal subsidiaries as at 31 March 2017 are as below:

<b>Name</b>	<b>Principal Business Activity</b>	<b>Country of Incorporation</b>	<b>% Effective shareholding</b>	
			<b>31 March 2017</b>	<b>31 March 2016</b>
QInvest Portfoy Yonetimi A.S.	Asset Management	Turkey	100%	-
Verdi Luxembourg SARL	Investment in real estate	Luxembourg	100%	100%
Q Business Services	Investment holding company	Cayman Islands	100%	100%
Q Liquidity Limited	Placements	Cayman Islands	100%	100%
QInvest Holding Mauritius	Investment holding company	Mauritius	100%	100%
Q Exhibit	To provide financing facility	Mauritius	100%	100%
QInvest Luxembourg S.a.r.l.	Investment holding company	Luxembourg	100%	100%
QI St Edmund's Terrace 2 Limited	Investment holding company	Cayman Islands	100%	100%
QInvest IBFin LLC (Previously known as QInvest Comms Holding LLC)	To provide financing facility	State of Qatar (QFC)	100%	100%
QI One Wall Street Invest Co.	Investment holding company	Cayman Islands	100%	100%

## 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

### Basis of consolidation (continued)

<b>Name</b>	<b>Principal Business Activity</b>	<b>Country of Incorporation</b>	<b>% Effective shareholding</b>	
			<b>31 March 2017</b>	<b>31 March 2016</b>
QEthika 1	Investment holding company	Cayman Islands	100%	100%
QNGPV1	Investment holding company	Cayman Islands	100%	100%
QInvest Euro PE QFC LLC	Investment holding company	State of Qatar (QFC)	100%	100%
QInvest Rio LLC	Investment holding company	State of Qatar (QFC)	63%	100%
Rio income s.a.r.l.	Investment in lease assets	Luxembourg	90%	90%
Q Tomahawk LLC	Investment holding company	Cayman Islands	100%	100%
QInvest Refin LLC	To provide financing facility	State of Qatar (QFC)	100%	100%
Q Alloy S.a.r.l.	To provide financing facility	Luxembourg	100%	100%
QSeven 1 LP	Investment in real estate	Cayman Island	91%	-
Q Magnolia LLC	Investment in real estate	Cayman Island	100%	-

## 3 FINANCING ASSETS

	<b>31 March 2017 (Reviewed) US\$ '000</b>	<b>31 December 2016 (Audited) US\$ '000</b>
Murabaha	482,813	480,348
Less: Allowance for impairment for financing assets	(43,280)	(38,780)
	<b>439,533</b>	<b>441,568</b>

As of 31 March 2017, the Group has two non-performing financing assets amounted to US\$ 103 million (31 December 2016: US\$ 101 million). Profit in suspense amounted to US\$ 8.3 million (31 December 2016: US\$ 5.6 million). The movements in allowance for impairment for financing assets are as follow:

	<b>31 March 2017 (Reviewed) US\$ '000</b>	<b>31 December 2016 (Audited) US\$ '000</b>
Balance at beginning of period/year	38,780	7,131
Provided during the period/year	4,500	31,649
<b>Balance at end of period/year</b>	<b>43,280</b>	<b>38,780</b>

#### 4 INVESTMENT SECURITIES

	31 March 2017 (Reviewed) US\$ '000	31 December 2016 (Audited) US\$ '000
<b>Equity</b>		
Fair value through income statement	305,362	267,257
Fair value through equity	33,256	35,527
	<b>338,618</b>	302,784
<b>Sukuk and other debt instrument</b>		
Fair value through income statement	10,355	12,777
Amortised cost	103,220	68,209
Less: allowance for impairment	(2,836)	(2,836)
	<b>100,384</b>	65,373
	<b>449,357</b>	380,934

#### 5 FAIR VALUE HIERARCHY OF ASSETS AND LIABILITIES

##### Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of assets and liabilities 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.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2017:

	Fair value US\$'000	Fair value measurement using		
		Quoted prices in active markets (Level 1) US\$'000	Significant observable inputs (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000
<b>ASSETS</b>				
Fair value through income statement investments	315,717	8,313	91,726	215,678
Fair value through equity financial investments	33,256	-	-	33,256
Derivative instruments	6,977	-	6,977	-
Investment in real estate	98,014	-	-	98,014
<b>Total</b>	<b>453,964</b>	<b>8,313</b>	<b>98,703</b>	<b>346,948</b>
<b>LIABILITIES</b>				
Derivative instruments	4,842	-	4,842	-

## 5 FAIR VALUE HIERARCHY OF ASSETS AND LIABILITIES (continued)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 December 2016:

	Fair value measurement using			
	Fair value US\$'000	Quoted prices in active markets (Level 1) US\$'000	Significant observable inputs (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000
<b>ASSETS</b>				
Fair value through income statement investments	280,034	10,735	61,188	208,111
Fair value through equity financial investments	35,527	-	-	35,527
Derivative instruments	12,225	-	12,225	-
Investment in real estate	94,586	-	-	94,586
<b>Total</b>	<b>422,372</b>	<b>10,735</b>	<b>73,413</b>	<b>338,224</b>
<b>LIABILITIES</b>				
Derivative instruments	107	-	107	-

During the three months period ended 31 March 2017, there were no transfers between Level 1 and Level 2 fair value measurements.

## 6 NET GAIN FROM INVESTMENTS

	Notes	Three months period ended	
		31 March 2017 (Reviewed) US\$ '000	31 March 2016 (Reviewed) US\$ '000
Net income from financial investments	6.1	<b>7,754</b>	6,430
Net income from investments in real estate		<b>1,602</b>	1,203
Net income from investment in property lease		<b>511</b>	1,110
		<b>9,867</b>	8,743

### 6.1 Net income from financial investments

	Three months period ended	
	31 March 2017 (Reviewed) US\$ '000	31 March 2016 (Reviewed) US\$ '000
Income from investments carried at fair value through income statement, net	<b>6,534</b>	4,075
Income from investments carried at fair value through equity	-	550
Income from investments carried at amortised cost	<b>1,180</b>	1,420
Net gain from derivative financial instruments	<b>40</b>	385
	<b>7,754</b>	6,430

## 7 IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	Three months period ended	
	31 March 2017 (Reviewed) US\$ '000	31 March 2016 (Reviewed) US\$ '000
Impairment loss on financing assets (note 3)	<b>4,500</b>	398
Impairment loss on other receivables	-	2
	<b>4,500</b>	400

## 8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following balances with original maturity less than 90 days.

	Three months period ended	
	31 March 2017 (Reviewed) US\$ '000	31 March 2016 (Reviewed) US\$ '000
Cash and bank balances	19,880	53,907
Short-term placements (original maturity of less than three months)	82,418	167,960
	<b>102,298</b>	<b>221,867</b>

## 9 OTHER RESERVE

### 9.1 Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

### 9.2 Fair value reserve

The investments fair value reserve includes the cumulative net change in the fair value of fair value through equity investments, excluding impairment losses, until the investment is derecognized. This also includes the Bank's share of the fair value changes on fair value through equity investments of associate.

### 9.3 Hedging reserves

The hedging reserves are used to record gains or losses on derivatives that are designated and qualify as net investment in foreign operations hedges and cash flow hedges that are recognised in the reserves. Amounts are reclassified to income statement when the associated hedged transaction affects income statement.

### 9.4 Share based payment reserve

The share based payment reserve is used to recognize the value of equity-settled share-based payments charge provided to for the employees entitled to the scheme, including key management personnel, as part of their remuneration.

## 10 CASH DIVIDENDS TO SHAREHOLDERS OF THE BANK

	Three months period ended	
	31 March 2017 (Reviewed) US\$ '000	31 March 2016 (Reviewed) US\$ '000
<b>Dividends on ordinary shares declared:</b>		
Dividends for 2016: Nil (2015: US\$ 4 cents per share)	-	28,214

## 11 CONTINGENT LIABILITIES, COMMITMENTS AND PROVISIONS

	31 March 2017 (Reviewed) US\$ '000	31 December 2016 (Audited) US\$ '000
Investment commitments	67,137	69,896
Forward foreign exchange contracts	224,469	222,534
Cross currency profit rate swaps	45,278	45,278
Other contingent liabilities	29,975	12,541
Operating lease commitments	4,433	5,231
Unutilised financing commitments	15,800	18,192

## 12 RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include entities over which the Group exercises significant influence, major shareholders, directors and key management personnel of the Group.

The following table provides the total amount of transactions that have been entered into with related parties during the three months ended 31 March 2017 and 2016, as well as balances with related parties as at 31 March 2017 and 31 December 2016:

	<b>31 March 2017 (Reviewed) US\$ '000</b>	31 December 2016 (Audited) US\$ '000
<b>Balance sheet items:</b>		
<i>Assets:</i>		
Placements and bank balances with a significant shareholder and its subsidiaries	<b>25,605</b>	104,397
Financing assets to associate including accrued profit	<b>3,786</b>	3,701
<b>Off balance sheet items:</b>		
Forward foreign exchange contracts outstanding	<b>77,117</b>	76,736
Restricted investment accounts	<b>65,810</b>	83,361
<b>Three months period ended</b>		
	<b>31 March 2017 (Reviewed) US\$ '000</b>	31 March 2016 (Reviewed) US\$ '000
<b>Income statement items:</b>		
Financing income	<b>26</b>	-
Fee and commission income	<b>27</b>	500
Placement income	<b>11</b>	33

Key management personnel of the Group comprise the Board of Directors and key members of management having authority and responsibility for planning, controlling and directing the activities of the Group.

### Transactions with key management personnel:

	<b>Three months period ended</b>	
	<b>31 March 2017 (Reviewed) US\$ '000</b>	31 March 2016 (Reviewed) US\$ '000
Salaries and other benefits	<b>845</b>	740
Incentives	<b>915</b>	1,006
Employee Share Option Plan	<b>150</b>	521
Post-employment benefits	<b>54</b>	76



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Note: "\$" refers to US Dollars throughout this document