



QINVEST

QUARTERLY REPORT SEPTEMBER 2016

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 consolidated statement of financial position of QInvest LLC ("QInvest" or the "Bank") and its subsidiaries (together referred to as the "Group") as at 30 September 2016, the related interim consolidated statement of income for the three-month and nine-month periods ended 30 September 2016 and the related interim consolidated statements of changes in shareholders' equity, interim consolidated statement of changes in restricted investment accounts and interim consolidated cash flows for the nine-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

Date: 13 October 2016
Doha
State of Qatar



INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2016 (QAR)

	30 September 2016 (Reviewed) QAR '000	31 December 2015 (Audited) QAR '000
ASSETS		
Cash and bank balances	150,299	251,342
Placements with banks	536,802	227,402
Financing assets	1,719,660	1,817,911
Investment securities	1,332,054	1,293,521
Investment in real estate	311,111	212,598
Investment in property lease	187,842	183,081
Investment in associates	238,296	282,169
Assets of a subsidiary held for sale	-	4,459
Other assets	266,874	204,794
TOTAL ASSETS	4,742,938	4,477,277
LIABILITIES		
Financing liabilities	1,916,435	1,613,230
Liabilities of a subsidiary held for sale	-	3,400
Other liabilities	128,120	118,239
TOTAL LIABILITIES	2,044,555	1,734,869
EQUITY		
Share capital	2,730,000	2,730,000
Share premium	27,300	27,300
Treasury shares	(182,000)	(182,000)
Other reserves	41,350	110,823
(Accumulated losses) / retained earnings	(32,880)	37,721
Total equity attributable to shareholders of the Bank	2,583,770	2,723,844
Non-controlling interests	114,613	18,564
Total equity	2,698,383	2,742,408
TOTAL LIABILITIES AND EQUITY	4,742,938	4,477,277
Off-balance sheet items		
Restricted investment accounts	897,988	576,762



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 nine months period ended 30 September 2016 (QAR)

	Three months period ended (Reviewed)		Nine months period ended (Reviewed)	
	30 September 2016 QAR '000	30 September 2015 QAR '000	30 September 2016 QAR '000	30 September 2015 QAR '000
Fee and commission income	16,984	22,473	58,003	42,078
Income from financing assets	40,473	26,638	135,972	84,608
Net gain from investments	29,859	44,084	123,727	135,950
Income from placements with banks	1,052	863	1,951	3,411
Share of results of associates	5,930	(2,544)	11,397	(55)
Profit from a subsidiary held for sale	3,640	113	5,267	21,156
Other (loss) / income	(342)	(630)	721	(648)
Net operating income	97,596	90,997	337,038	286,500
Staff costs	(37,062)	(33,437)	(110,518)	(100,566)
General and administrative expenses	(15,040)	(11,441)	(41,693)	(30,725)
Depreciation and amortisation	(943)	(888)	(2,894)	(2,548)
Total operating expenses	(53,045)	(45,766)	(155,105)	(133,839)
Operating profit	44,551	45,231	181,933	152,661
Finance expenses	(18,804)	(3,684)	(47,968)	(14,971)
Impairment losses on financial assets	(81,580)	(8,190)	(97,210)	(8,190)
(Loss) / Profit before tax	(55,833)	33,357	36,755	129,500
Tax (expense) / credit	(2,541)	1,063	(1,270)	(6,436)
Net (loss) / profit for the period	(58,374)	34,420	35,485	123,064
Attributable to:				
Shareholders of the Bank	(59,998)	34,420	32,098	123,064
Non-controlling interests	1,624	-	3,387	-
	(58,374)	34,420	35,485	123,064

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the nine months period ended 30 September 2016 (QAR)

	Attribute to shareholder of the Bank					Total equity attributable to shareholders of the Bank QAR '000	Non-controlling interest QAR '000	Total Equity QAR '000
	Share capital QAR '000	Share premium QAR '000	Treasury shares QAR '000	Other reserves QAR '000	Accumulated losses QAR '000			
As at 1 January 2016 (Audited)	2,730,000	27,300	(182,000)	110,823	37,721	2,723,844	18,564	2,742,408
Profit for the period	-	-	-	-	32,098	32,098	3,387	35,485
Foreign currency translation differences of foreign operations	-	-	-	(18,280)	-	(18,280)	661	(17,619)
Effective portion of changes in fair value of hedges	-	-	-	9,847	-	9,847	-	9,847
Net change in fair value of investment designated as equity	-	-	-	(67,031)	-	(67,031)	-	(67,031)
Share-based payments	-	-	-	5,991	-	5,991	-	5,991
Dividends (Note 11)	-	-	-	-	(102,699)	(102,699)	-	(102,699)
Net movement in non-controlling interests	-	-	-	-	-	-	92,001	92,001
As at 30 September 2016 (Reviewed)	2,730,000	27,300	(182,000)	41,350	(32,880)	2,583,770	114,613	2,698,383
			Share capital QAR '000	Share premium QAR '000	Treasury shares QAR '000	Other reserves QAR '000	Retained earnings QAR '000	Total Equity QAR '000
As at 1 January 2015 (Audited)			2,730,000	27,300	(182,000)	40,335	(65,032)	2,550,603
Profit for the period			-	-	-	-	123,064	123,064
Foreign currency translation differences of foreign operations			-	-	-	(40,753)	-	(40,753)
Effective portion of changes in fair value of hedges			-	-	-	32,074	-	32,074
Net change in fair value of investment designated as equity			-	-	-	22,492	-	22,492
Share-based payments			-	-	-	9,300	-	9,300
Dividends (Note 11)			-	-	-	-	(51,349)	(51,349)
As at 30 September 2015 (Reviewed)			2,730,000	27,300	(182,000)	63,448	6,683	2,645,431

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2016 (US\$)

	30 September 2016 (Reviewed) US\$ '000	31 December 2015 (Audited) US\$ '000
ASSETS		
Cash and bank balances	41,291	69,050
Placements with banks	147,473	62,473
Financing assets	472,434	499,426
Investment securities	365,949	355,363
Investment in real estate	85,470	58,406
Investment in property lease	51,605	50,297
Investment in associates	65,466	77,519
Assets of a subsidiary held for sale	-	1,225
Other assets	73,317	56,262
TOTAL ASSETS	1,303,005	1,230,021
LIABILITIES		
Financing liabilities	526,493	443,195
Liabilities of a subsidiary held for sale	-	934
Other liabilities	35,198	32,483
Total liabilities	561,691	476,612
EQUITY		
Share capital	750,000	750,000
Share premium	7,500	7,500
Treasury shares	(50,000)	(50,000)
Other reserves	11,360	30,446
(Accumulated losses) / retained earnings	(9,033)	10,363
Total equity attributable to shareholders of the Bank	709,827	748,309
Non-controlling interests	31,487	5,100
Total equity	741,314	753,409
TOTAL LIABILITIES AND EQUITY	1,303,005	1,230,021
Off-balance sheet items		
Restricted investment accounts	246,700	158,451



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 nine months period ended 30 September 2016 (US\$)

	Three months period ended (Reviewed)		Nine months period ended (Reviewed)	
	30 September 2016 US\$ '000	30 September 2015 US\$ '000	30 September 2016 US\$ '000	30 September 2015 US\$ '000
Fee and commission income	4,666	6,174	15,935	11,560
Income from financing assets	11,119	7,318	37,355	23,244
Net gain from investments	8,203	12,111	33,991	37,349
Income from placements with banks	289	237	536	937
Share of results of associates	1,629	(699)	3,131	(15)
Profit from a subsidiary held for sale	1,000	31	1,447	5,812
Other (loss) / income	(94)	(173)	198	(178)
Net operating income	26,812	24,999	92,593	78,709
Staff costs	(10,182)	(9,186)	(30,362)	(27,628)
General and administrative expenses	(4,132)	(3,143)	(11,454)	(8,441)
Depreciation and amortisation	(259)	(244)	(795)	(700)
Total operating expenses	(14,573)	(12,573)	(42,611)	(36,769)
Operating profit	12,239	12,426	49,982	41,940
Finance expenses	(5,166)	(1,012)	(13,178)	(4,113)
Impairment losses on financial assets	(22,412)	(2,250)	(26,706)	(2,250)
(Loss) / profit before tax	(15,339)	9,164	10,098	35,577
Tax (expense) / credit	(698)	292	(349)	(1,768)
Net (loss) / profit for the period	(16,037)	9,456	9,749	33,809
Attributable to:				
Shareholders of the Bank	(16,483)	9,456	8,818	33,809
Non-controlling interests	446	-	931	-
	(16,037)	9,456	9,749	33,809

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the nine months period ended 30 September 2016 (US\$)

	Attribute to shareholder of the Bank					Total equity attributable to shareholders of the Bank US\$ '000	Non-controlling interest 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 2016 (Audited)	750,000	7,500	(50,000)	30,446	10,363	748,309	5,100	753,409
Profit for the period	-	-	-	-	8,818	8,818	931	9,749
Foreign currency translation differences of foreign operations	-	-	-	(5,022)	-	(5,022)	181	(4,841)
Effective portion of changes in fair value of hedges	-	-	-	2,705	-	2,705	-	2,705
Net change in fair value of investment designated as equity	-	-	-	(18,415)	-	(18,415)	-	(18,415)
Share-based payments	-	-	-	1,646	-	1,646	-	1,646
Dividends	-	-	-	-	(28,214)	(28,214)	-	(28,214)
Net movement in non-controlling interests	-	-	-	-	-	-	25,275	25,275
As at 30 September 2016 (Reviewed)	750,000	7,500	(50,000)	11,360	(9,033)	709,827	31,487	741,314
			Share capital US\$ '000	Share premium US\$ '000	Treasury shares US\$ '000	Other reserves US\$ '000	Retained earnings US\$ '000	Total Equity US\$ '000
As at 1 January 2015 (Audited)			750,000	7,500	(50,000)	11,081	(17,866)	700,715
Profit for the period			-	-	-	-	33,809	33,809
Foreign currency translation differences of foreign operations			-	-	-	(11,196)	-	(11,196)
Effective portion of changes in fair value of hedges			-	-	-	8,812	-	8,812
Net change in fair value of investment designated as equity			-	-	-	6,179	-	6,179
Share-based payments			-	-	-	2,555	-	2,555
Dividends			-	-	-	-	(14,107)	(14,107)
As at 30 September 2015 (Reviewed)			750,000	7,500	(50,000)	17,431	1,836	726,767

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