

ISLAMIC HOLDING GROUP (Q.P.S.C.)
UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED
30 JUNE 2018

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INDEPENDENT AUDITOR'S REVIEW REPORT

**TO THE BOARD OF DIRECTORS
ISLAMIC HOLDING GROUP (Q.P.S.C.)
DOHA – STATE OF QATAR**

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of Islamic Holding Group (Q.P.S.C) (the "Company") and its subsidiaries (together referred to as the "Group") as of June 30, 2018 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended and the related explanatory notes.

Management are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 – Interim Financial Reporting. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial 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 – "Interim Financial Reporting".

**Rödl & Partner – Qatar Branch
Certified Public Accountants**

**Hikmat Mukhaimer, FCCA (UK)
License No. 297
QFMA Registration Auditor's No. 120151**

**Doha – Qatar
July 19, 2018**

ISLAMIC HOLDING GROUP (Q.P.S.C.)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2018

		June 30, 2018	December 31, 2017
		(Unaudited)	(Audited)
	Note	QR	QR
ASSETS			
Current assets			
Bank balances	3	118,436,326	114,371,203
Bank balances - customers' funds	4	78,752,864	51,996,217
Due from Qatar Central Securities Depository (QCSD)		15,110,503	13,514,804
Prepayments and other debit balances	5	4,043,350	3,625,974
Total current assets		216,343,043	183,508,198
Non-current assets			
Investment properties	6	8,636,356	8,636,356
Financial assets	7	7,131,936	7,246,486
Property and equipment	8	924,186	821,151
Total non-current assets		16,692,478	16,703,993
Total assets		233,035,521	200,212,191
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Due to customers		93,214,467	60,358,147
Accrued expenses and other credit balances	9	2,648,411	2,564,539
Total current liabilities		95,862,878	62,922,686
Non-current liability			
Employees' end of service benefits	10	1,335,045	1,275,969
Total liabilities		97,197,923	64,198,655
Shareholders' equity			
Share capital	11	56,635,810	56,635,810
Legal reserve	12	78,780,322	78,780,322
Fair value reserve	7	(669,534)	(554,984)
Retained earnings		1,091,000	1,152,388
Total shareholders' equity		135,837,598	136,013,536
Total liabilities and shareholders' equity		233,035,521	200,212,191

Dr. Yousuf Ahmed Al-Naema
Head of Board of Directors

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

ISLAMIC HOLDING GROUP (Q.P.S.C.)
INTERIM CONSOLIDATED STATEMENT OF INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

	<u>Note</u>	Three-month period ended June 30,		Six-month period ended June 30,	
		2018	2017	2018	2017
		(Unaudited) QR	(Unaudited) QR	(Unaudited) QR	(Unaudited) QR
Brokerage and commission income		1,020,883	1,554,240	2,388,603	5,514,330
Brokerage and commission expense	14	<u>(260,883)</u>	<u>(418,407)</u>	<u>(612,639)</u>	<u>(1,600,548)</u>
Net Brokerage and commission income		<u>760,000</u>	<u>1,135,833</u>	<u>1,775,964</u>	<u>3,913,782</u>
Add:					
Income from saving accounts with Islamic banks		858,224	768,974	1,700,697	1,296,115
Rental income		91,625	--	153,250	--
Gain from Shares		--	--	290,000	--
Gain from sale of available for sale investments		--	--	--	70,165
Net operating income		<u>1,709,849</u>	<u>1,904,807</u>	<u>3,919,911</u>	<u>5,280,062</u>
Less:					
General and administrative expenses	15	(1,844,806)	(2,303,116)	(3,674,214)	(4,214,327)
Depreciation	8	(108,312)	(86,192)	(195,830)	(178,202)
Bank Charges		<u>(55,125)</u>	<u>(55,485)</u>	<u>(111,255)</u>	<u>(117,710)</u>
Net Loss/Profit for the period		<u>(298,394)</u>	<u>(539,986)</u>	<u>(61,388)</u>	<u>769,823</u>
Basic and diluted Losses/earnings per share	16	<u>(0.05)</u>	<u>(0.1)</u>	<u>(0.01)</u>	<u>0.14</u>

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

ISLAMIC HOLDING GROUP (Q.P.S.C.)

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

	Three-month period ended		Six-month period ended	
	June 30,		June 30,	
	2018	2017	2018	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Note	QR	QR	QR	QR
Net Loss/Profit for the period	(298,394)	(539,986)	(61,388)	769,823
Other comprehensive income:				
Net change in fair value of financial assets	7 218,225	(442,815)	(114,550)	(482,484)
Total comprehensive (loss)/income for the period	(80,169)	(982,801)	(175,938)	287,339

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

ISLAMIC HOLDING GROUP (Q.P.S.C.)

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

	Share capital	Legal reserve	Fair value reserve	Retained earnings	Total
	QR	QR	QR	QR	QR
As at 1 January 2017 (Audited)	56,635,810	78,780,322	--	7,346,343	142,762,475
Profit for the period	--	--	--	769,823	769,823
Change in fair value	--	--	(482,484)	--	(482,484)
Total comprehensive income for the period	--	--	(482,484)	769,823	287,339
Dividends paid to shareholders (Note 13)	--	--	--	(5,663,581)	(5,663,581)
As at 30 June 2017 (Unaudited)	56,635,810	78,780,322	(482,484)	2,452,585	137,386,233
	Share capital	Legal reserve	Fair value reserve	Retained earnings	Total
	QR	QR	QR	QR	QR
As at 1 January 2018 (Audited)	56,635,810	78,780,322	(554,984)	1,152,388	136,013,536
Loss for the period	--	--	--	(61,388)	(61,388)
Change in fair value	--	--	(114,550)	--	(114,550)
Total comprehensive loss for the period	--	--	(114,550)	(61,388)	(175,938)
As at 30 June 2018 (Unaudited)	56,635,810	78,780,322	(669,534)	1,091,000	135,837,598

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

ISLAMIC HOLDING GROUP (Q.P.S.C.)
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

	Note	Six month period ended June 30,	
		2018	2017
		(Unaudited) QR	(Unaudited) QR
Operating activities			
(Loss)/Profit for the period		(61,388)	769,823
Adjustments for:			
Depreciation expense	8	195,830	178,202
Bank charges		111,255	117,710
Income from saving accounts and deposits with Islamic banks		(1,700,697)	(1,296,115)
Dividends income from financial assets		(290,000)	--
Net gain from financial assets	7	--	(70,165)
Provision for employees' end of service benefits	10	68,464	77,049
		(1,676,536)	(223,496)
Working capital changes:			
Bank balances – customers' funds		(26,756,647)	75,154,379
Due from Qatar Central Securities Depository (QCSD)		(1,595,699)	8,235,491
Prepayments and other debit balances		(417,376)	(271,765)
Due to Qatar Central Securities Depository (QCSD)		--	(109,436,759)
Due to customers		32,856,320	25,986,034
Accrued expenses and other credit balances		83,872	281,924
Cash flows from operations		2,493,934	(274,192)
Bank charges		(111,255)	(117,710)
Employees end of service benefits paid	10	(9,388)	--
Net cash flows generated from/ (used in) operating activities		2,373,291	(391,902)
Investing activities			
Purchase of property and equipment	8	(298,865)	(77,100)
Proceeds from sales of financial assets	7	--	1,087,378
Acquisition of available-for-sale financial assets	7	--	(5,530,697)
Dividends income		290,000	--
Income from savings accounts and deposits with Islamic banks		1,700,697	1,296,115
Cash flows generated from / (used in) investing activities		1,691,832	(3,224,304)
Financing activity			
Dividend paid to shareholders	13	--	(5,663,581)
Cash flows used in financing activity		--	(5,663,581)
Net increase /(decrease) in cash and cash equivalents		4,065,123	(9,279,787)
Cash and cash equivalents at 1 January		114,371,203	130,189,069
Cash and cash equivalents at 30 June	3	118,436,326	120,909,282

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

1 GENERAL INFORMATION

Islamic Holding Group (Q.P.S.C) "Previously Islamic Financial Securities (Q.S.C) was established as a Qatari Private 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 Sharia's. 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.

Upon the recommendation of the Board of Directors on 28 December 2009 and the Extraordinary General Assembly Resolution of 22 August 2010, it was agreed to change the name and legal form of the Company from the Islamic Securities Company (a Qatari public shareholding company) to the Islamic Holding Group (a Qatari public shareholding company) The change was made on the basis of the decision of the Qatar Financial Markets Authority and the approval of the Ministry of Economy and Trade on 19 July 2010.

These consolidated financial statements include the financial statements of the Company and its subsidiaries "Islamic Financial Securities Company (W.L.L.) and Ajjad Real Estate Company (W.L.L) (hereinafter referred to as the "Group").

Islamic Financial Securities Company (W.L.L.) was registered in the State of Qatar under Commercial Registration No. 46645 on 19 July 2010. It is fully owned by the Islamic Holding Group (Q.S.C.) ("the Company" or "the Parent"), the principal activities of the Company are brokerage services.

Ajjad Real Estate Company (W.L.L.) was incorporated in the state of Qatar under Commercial Registration No. 56091 dated 4 June 2012. The Company is fully owned by the parent Company, Islamic Holding Group (Q.S.C) (the "Company" or the "Parent"), the principal activities of the Company are real estate trading and brokerage activities.

The interim condensed consolidated financial statements of the Group for the Six-month period ended June 30, 2018 were authorised for issue in accordance with a resolution of the Board of Directors on 19 July 2018.

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 Six month ended 30 June 2018 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 2017. In addition, results for the Six month ended 30 June 2018 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2018.

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 June 2018.

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.

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

2.2 Basis of consolidation (CONTINUED)

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.

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

Company's name	Country of incorporation	Company's activities	Percentage of ownership June 30, 2018	Percentage of ownership December 31, 2017
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:

- 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.

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 2017, except for the adoption of new standards and interpretations effective as of 1 January 2018. 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, 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 9 "Financial Instruments"

IFRS 9 published in July 2014, replaces the existing IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018. Financial Assets disclosed in the interim condensed consolidated financial statements may result in additional disclosures at the end of the year.

**2 BASIS OF PREPARATION AND CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)****• IFRS 15 “Revenue from Contracts with Customers” (Effective for year ended 31 December 2018)**

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contracts
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Adoption amendment

Effective date	Description
January 1, 2018	Amendments to IFRS 2 “on classification and measurement of share based payment transactions”.

Adoption not expected to impact the Group's consolidated financial statements

The following accounting standards have been issued but have not yet become binding. The Group is currently assessing the impact and will apply them under the relevant dates.

Effective date	Description
January 1, 2019	IFRS 16 "Leases". Amendments to IAS 28 “Investment in Associates and Joint ventures”. Amendments resulting from annual Improvements to IFRS Standards 2015– 2017 Cycle.
January 1, 2021	IFRS 17 Insurance Contracts
Effective date to be determined	Amendments to IFRS 10 and IAS 28” on sale or contribution of assets between an investor and its associate or joint venture”

Management expects to adopt these new standards and their interpretations in future periods that will not have a material impact on the Group's financial statements in the initial application periods other than certain specific elements of the presentation and disclosure.

3 BANK BALANCES

	June 30, 2018	December 31, 2017
	(Unaudited) QR	(Audited) QR
Current Accounts	5,885	5,885
Saving Accounts	7,887,252	5,521,438
Deposits	110,543,189	108,843,880
Total	118,436,326	114,371,203

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

5 PREPAYMENTS AND OTHER DEBIT BALANCES

	June 30, 2018	December 31, 2017
	(Unaudited)	(Audited)
	QR	QR
Refundable deposits	2,002,550	2,000,250
Prepaid expenses	726,868	418,619
Accrued revenue	745,164	695,716
Notes receivable	513,000	429,000
Other assets	55,768	82,389
	4,043,350	3,625,974

6 INVESTMENT PROPERTIES

	June 30, 2018	December 31, 2017
	(Unaudited)	(Audited)
	QR	QR
At 1, January	8,636,356	8,934,858
Loss from revaluation of investment properties	--	(298,502)
	8,636,356	8,636,356

(A) Real estate investments are located in the State of Qatar.

(B) The fair value of investment properties is measured on the basis of valuation by an authorized property appraiser and property valuation specialists and similar activities. The fair value of the land is determined by reference to the market and the fair value of the buildings is determined based on the recent transaction prices of similar properties. In assessing the fair value of properties, the current use of real estate is the lowest and best use.

7 FINANCIAL ASSETS

Financial assets include the following:

	June 30, 2018	December 31, 2017
	(Unaudited)	(Audited)
	QR	QR
Financial assets in local listed companies through other comprehensive income (*)	3,843,950	--
Financial assets in local unlisted companies through other comprehensive income	3,287,986	--
Investments in local listed companies (*)	--	3,958,500
Investments in local unlisted companies	--	3,287,986
Total	7,131,936	7,246,486

(*) Movements on Investments in local listed companies:

	June 30, 2018	December 31, 2017
	(Unaudited)	(Audited)
	QR	QR
Balance at 1, January	3,958,500	--
Additions during the period	--	5,530,697
Disposal during the period	--	(1,083,071)
Gain on sale of available-for-sale financial assets	--	65,858
Change in fair value	(114,550)	(554,984)
	3,843,950	3,958,500

8 PROPERTY AND EQUIPMENT

	Computers, software and office equipment	Furniture and fixtures	Leasehold improvements	Motor vehicles	Total
	QR	QR	QR	QR	QR
Cost:					
As at 1 January 2018 (Audited)	8,956,666	672,973	2,013,671	72,777	11,716,087
Additions for the period	248,865	50,000	--	--	298,865
As at 30 June 2018 (Unaudited)	9,205,531	722,973	2,013,671	72,777	12,014,952
Depreciation:					
As at 1 January 2018 (Audited)	8,450,312	668,714	1,703,135	72,775	10,894,936
Charge for the period	121,375	2,721	71,734	--	195,830
As at 30 June 2018 (Unaudited)	8,571,687	671,435	1,774,869	72,775	11,090,766
Net book value:					
As at 30 June 2018 (Unaudited)	633,844	51,538	238,802	2	924,186

	Computers, software and office equipment	Furniture and fixtures	Leasehold improvements	Motor Vehicles	Total
	QR	QR	QR	QR	QR
Cost:					
As at 1 January 2017 (Audited)	8,766,970	672,973	2,013,671	72,777	11,526,391
Additions for the year	189,696	--	--	--	189,696
As at 31 December 2017 (Audited)	8,956,666	672,973	2,013,671	72,777	11,716,087
Depreciation:					
As at 1 January 2017 (Audited)	8,248,470	665,219	1,559,668	72,775	10,546,132
Charge for the year	201,842	3,495	143,467	--	348,804
As at 31 December 2017 (Audited)	8,450,312	668,714	1,703,135	72,775	10,894,936
Net book value:					
As at 31 December 2017 (Audited)	506,354	4,259	310,536	2	821,151

9 ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	June 30, 2018	December 31, 2017
	(Unaudited)	(Audited)
	QR	QR
Payable to shareholders related to dividends	1,517,164	1,587,705
Payable to shareholders from sale of shares	258,993	258,993
Accrued expenses	168,459	126,504
Due to shareholders from subscription surplus	39,793	40,205
Un-earned revenue	507,042	420,292
Other payables	156,960	130,840
Total	2,648,411	2,564,539

10 EMPLOYEES' END OF SERVICE BENEFITS

	June 30, 2018	December 31, 2017
	(Unaudited)	(Audited)
	QR	QR
Provision as at 1 January	1,275,969	1,318,309
Provided during the period/year (Note 15)	68,464	166,623
Paid during the period / year	(9,388)	(208,963)
Total	1,335,045	1,275,969

11 SHARE CAPITAL

	June 30, 2018	December 31, 2017
	(Unaudited)	(Audited)
	QR	QR
Authorised and paid up 5,663,581 shares with a value of QR 10 per share (31 December 2017 : 5,663,581 shares with value of 10 QR per share)	56,635,810	56,635,810

During the year 2016, the group has increased the authorised capital from 4,000,000 shares to 5,663,581 shares after completing subscription in the right issue process and amending the commercial register.

At the shareholder meeting on 15 March 2015, the Board of Directors proposed a 50% increase in the Company's capital and increase the total number of shares to 6,000,000 shares. At the meeting held on May 4, 2015, the share price was determined by the Board of Directors based on a fair value study conducted by an independent valuer of QR10 per unit plus QR40. As a result of the rights issue in 2016, the capital increased by QR 16,635,810 to 1,663,581 shares to 5,663,581 shares. The issue premium was QR 66,142,115 and was included in the statutory reserve in accordance with the Companies Law No. 11 For the year 2015.

12 LEGAL RESERVE

In accordance with the provisions of Qatar Commercial Companies Law No. 11 of 2015 and the Articles of Association of the Company, 10% of the Company's annual net profit must be transferred to the statutory reserve each year until the statutory reserve equals 50% of the paid-up share capital. The legal reserve is not available for distribution except in the cases stipulated in the Commercial Companies Law above.

13 DIVIDENDS

The Annual General Assembly Meeting of the Company that was held on 1 April 2018 and approved no dividends will be distributed for the fiscal year 2017.

The Annual General Assembly Meeting of the Company that was held on 20 February 2017 approved QR 1 per share totalling to QR 5,663,581 as cash dividends relating to 2016.

14 BROKERAGE AND COMMISSION EXPENSE

	Six month period ended 30 June	
	2018	2017
	(Unaudited) QR	(Unaudited) QR
Commission paid to Qatar Central Securities Depository (QCSD)	612,639	1,600,548

15 GENERAL AND ADMINISTRATIVE EXPENSES

	Six month period ended 30 June	
	2018	2017
	(Unaudited) QR	(Unaudited) QR
Staff costs	1,679,163	1,880,519
Rent	730,681	876,326
Telephone and postage	302,777	298,671
Repair and maintenance	175,183	192,606
Professional fees	114,000	123,000
Brokerage fees	219,091	238,590
Annual leave	50,676	112,790
Provision for employees' end of service benefits (Note 10)	68,464	77,049
Advertising and marketing expenses	56,376	45,800
Air tickets	32,974	128,318
Stationery and printings	7,428	5,618
Government fees	62,670	81,768
Car expenses	5,081	6,116
Miscellaneous expenses	169,650	147,156
	3,674,214	4,214,327

16 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:

	Six month period ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	QR	QR
(Loss)/Profit for the period (QR)	(61,388)	769,823
Weighted average number of shares	5,663,581	5,663,581
Basic and diluted earnings per share (QR)	(0.01)	0.14

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.

17 CONTINGENT LIABILITIES

	June 30,	December 31,
	2018	2017
	(Unaudited)	(Audited)
	QR	QR
Letters of guarantee	125,000,000	125,000,000

18 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:

	Six month period ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	QR	QR
Income from saving accounts and deposits with Islamic banks	1,700,697	1,296,115
Brokerage and commission income, net	76,326	1,059,179
Returned commissions	(40,324)	(704,408)

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

	June 30,	December 31,
	2018	2017
	(Unaudited)	(Audited)
	QR	QR
Bank balances – customers' funds	67,428,440	51,945,037
Bank Balances – Company Fund	118,428,440	114,370,690

18 RELATED PARTIES TRANSACTIONS (CONTINUED)**Key management remuneration**

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

	Six month period ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	QR	QR
Short term benefits	666,000	685,800

19 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.

As at 30 June 2018, the Group held the following financial instruments measured at fair value:

30 June 2018 (Unaudited)	Fair value	Level 1	Level 2	Level 3
	QR	QR	QR	QR
Financial assets (FVOCI)	7,131,936	3,843,950	--	3,287,986
Investment properties	8,636,356	--	--	8,636,356
31 December 2017 (Audited)	Fair value	Level 1	Level 2	Level 3
	QR	QR	QR	QR
Available for sale financial assets	7,246,486	3,958,500	--	3,287,986
Investment properties	8,636,356	--	--	8,636,356

During the period ended 30 June 2018, 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.P.S.C.)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018**

20 SEGMENT INFORMATION

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

Six month ended June 30, 2018 (Unaudited)	Brokerage Service	Real estate	Other	Total	Adjustments and eliminations	Consolidated
	QR	QR	QR	QR	QR	QR
Net brokerage and commission income	1,775,964	--	--	1,775,964	--	1,775,964
Others	925,147	789,743	499,286	2,214,176	(70,229)	2,143,947
Segment revenue	<u>2,701,111</u>	<u>789,743</u>	<u>499,286</u>	<u>3,990,140</u>	<u>(70,229)</u>	<u>3,919,911</u>
Segment profit / (loss)	<u>(294,590)</u>	<u>632,064</u>	<u>(398,862)</u>	<u>(61,388)</u>	--	<u>(61,388)</u>
Depreciation	<u>176,213</u>	--	<u>19,617</u>	<u>195,830</u>	--	<u>195,830</u>
Six month ended June 30, 2017 (Unaudited)	Brokerage Service	Real estate	Other	Total	Adjustments and eliminations	Consolidated
	QR	QR	QR	QR	QR	QR
Net brokerage and commission income	3,913,782	--	--	3,913,782	--	3,913,782
Others	643,097	428,462	420,058	1,491,617	(125,337)	1,366,280
Segment revenue	<u>4,556,879</u>	<u>428,462</u>	<u>420,058</u>	<u>5,405,399</u>	<u>(125,337)</u>	<u>5,280,062</u>
Segment profit	<u>815,752</u>	<u>312,288</u>	<u>769,823</u>	<u>(358,217)</u>	--	<u>769,823</u>
Depreciation	<u>157,437</u>	--	<u>20,765</u>	<u>178,202</u>	--	<u>178,202</u>

ISLAMIC HOLDING GROUP (Q.P.S.C.)**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

20 SEGMENT INFORMATION (CONTIUNED)

The following table presents the segment assets and liabilities:

At 30 June 2018 (Unaudited)	Brokerage Service	Real estate	Other	Total	Adjustments and eliminations	Consolidated
	QR	QR	QR	QR	QR	QR
Segment assets	<u>148,148,415</u>	<u>51,615,334</u>	<u>134,582,486</u>	<u>334,346,235</u>	<u>(101,310,714)</u>	<u>233,035,521</u>
Segment liabilities	<u>94,574,695</u>	<u>586,271</u>	<u>3,674,686</u>	<u>98,835,652</u>	<u>(1,637,729)</u>	<u>97,197,923</u>
At 31 December 2017 (Audited)	Brokerage Service	Real estate	Other	Total	Adjustments and eliminations	Consolidated
	QR	QR	QR	QR	QR	QR
Segment assets	<u>115,600,233</u>	<u>51,420,475</u>	<u>133,463,506</u>	<u>300,484,214</u>	<u>(100,272,023)</u>	<u>200,212,191</u>
Segment liabilities	<u>61,617,373</u>	<u>490,266</u>	<u>2,156,844</u>	<u>64,264,483</u>	<u>(65,828)</u>	<u>64,198,655</u>

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

21 COMPARATIVE FIGURES

Comparative figures for the previous period / year have been reclassified, where appropriate, to conform with the presentation of the financial statements for the current period. These reclassifications have no impact on previously reported net profit or equity.