

# **Islamic Holding Group (Q.S.C.)**

**INTERIM CONDENSED CONSOLIDATED**

**FINANCIAL STATEMENTS**

**30 JUNE 2014**

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

### **Introduction**

We have reviewed the accompanying interim consolidated statement of financial position of Islamic Holding Group (Q.S.C) (the “Company”) and its subsidiaries (together referred to as the “Group”) as at 30 June 2014 and the related interim consolidated statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2014 and the interim consolidated statement of changes in equity and cash flows for the six-month period then ended and the related explanatory notes.

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

### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ziad Nader  
of Ernst & Young  
Auditor's Registration No. 236

Date: 9 July 2014  
Doha

# Islamic Holding Group (Q.S.C.)

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	<i>Notes</i>	<b>30 June 2014 (Unaudited) QR</b>	<b>31 December 2013 (Audited) QR</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Bank balances	3	<b>40,054,500</b>	48,441,981
Bank balances - customers' funds	4	<b>401,577,723</b>	187,369,007
Due from customers		<b>178,271</b>	791
Prepayments and other debit balances	5	<b>13,741,682</b>	4,371,720
<b>Total current assets</b>		<b>455,552,176</b>	240,183,499
<b>Non-current assets</b>			
Property and equipment		<b>392,226</b>	699,777
Available for sale financial assets	6	<b>5,052,610</b>	4,605,289
<b>Total non-current assets</b>		<b>5,444,836</b>	5,305,066
<b>Total assets</b>		<b>460,997,012</b>	245,488,565
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Due to customers		<b>386,256,143</b>	174,449,189
Due to Qatar Exchange		<b>10,422,726</b>	7,149,400
Accrued expenses and other credit balances	8	<b>3,781,192</b>	4,064,529
<b>Total current liabilities</b>		<b>400,460,061</b>	185,663,118
<b>Non-current liability</b>			
Employees' end of service benefits		<b>1,012,181</b>	858,429
<b>Total liabilities</b>		<b>401,472,242</b>	186,521,547
<b>Shareholders' equity</b>			
Share capital	9	<b>40,000,000</b>	40,000,000
Legal reserve		<b>10,243,566</b>	10,243,566
Fair value reserve		<b>(359,344)</b>	(158,570)
Retained earnings		<b>9,640,548</b>	8,882,022
<b>Total shareholders' equity</b>		<b>59,524,770</b>	58,967,018
<b>Total liabilities and shareholders' equity</b>		<b>460,997,012</b>	245,488,565

Dr. Yousuf Ahmad Hussain Al Nama  
Chairman and Managing Director

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

# Islamic Holding Group (Q.S.C.)

## INTERIM CONSOLIDATED STATEMENT OF INCOME

For the six months ended 30 June 2014

	Notes	<i>Three months ended</i>		<i>Six months ended</i>	
		<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>
		<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
		<i>(Unaudited)</i>		<i>(Unaudited)</i>	
		<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
Brokerage and commission income		<b>10,964,383</b>	4,314,361	<b>17,960,672</b>	7,497,262
Brokerage and commission expense		<b>(2,960,612)</b>	(1,099,647)	<b>(4,816,105)</b>	(1,933,944)
<b>Brokerage and commission income, net</b>		<b>8,003,771</b>	3,214,714	<b>13,144,567</b>	5,563,318
Net gain on sale of trading property	11	-	-	-	1,000,000
Income from saving accounts with Islamic banks		<b>107,450</b>	393,234	<b>206,318</b>	756,831
Net gain from sale of available for sale investments		<b>265,099</b>	177,947	<b>549,069</b>	177,947
Impairment losses on available for sale investments		<b>(135,633)</b>	-	<b>(298,904)</b>	(475,634)
Income from Wakala contracts		-	299,690	-	593,373
Dividend income		<b>3,500</b>	174,659	<b>58,500</b>	624,927
<b>Net operating income</b>		<b>8,244,187</b>	4,260,244	<b>13,659,550</b>	8,240,762
Other income		<b>15,319</b>	-	<b>32,273</b>	-
General and administrative expenses		<b>(3,665,487)</b>	(1,964,498)	<b>(6,133,297)</b>	(3,838,884)
<b>Profit for the period</b>		<b>4,594,019</b>	2,295,746	<b>7,558,526</b>	4,401,878
Basic and diluted earnings per share	12	<b>1.15</b>	0.57	<b>1.89</b>	1.10

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

Islamic Holding Group (Q.S.C.)

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2014

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
<b>Profit for the period</b>	<b>4,594,019</b>	2,295,746	<b>7,558,526</b>	4,401,878
<b>Other comprehensive (loss) income for the period</b>				
Changes in fair value of available for sale investments	<u>(263,595)</u>	<u>710,403</u>	<u>(200,774)</u>	<u>603,823</u>
<b>Total comprehensive income for the period</b>	<b><u>4,330,424</u></b>	<b><u>3,006,149</u></b>	<b><u>7,357,752</u></b>	<b><u>5,005,701</u></b>

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

Islamic Holding Group (Q.S.C.)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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At 30 June 2014