

Islamic Holding Group (Q.S.C.)

INTERIM CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS

30 JUNE 2015

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 2015 and the related interim consolidated statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2015 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. 258

Date: 14 July 2015
Doha

Islamic Holding Group (Q.S.C.)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	<i>Notes</i>	30 June 2015 (Unaudited) QR	31 December 2014 (Audited) QR
ASSETS			
Current assets			
Bank balances	3	50,954,762	53,604,864
Bank balances - customers' funds	4	220,039,800	463,966,828
Due from Qatar Exchange		6,271,051	26,881,268
Prepayments and other debit balances	5	3,206,137	13,399,697
Total current assets		280,471,750	557,852,657
Non-current assets			
Investment properties		8,421,195	-
Available for sale financial assets	7	3,287,986	5,562,617
Property and equipment		878,416	222,675
Total non-current assets		12,587,597	5,785,292
Total assets		293,059,347	563,637,949
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Due to customers		226,729,063	491,216,906
Accrued expenses and other credit balances	8	3,206,856	3,560,225
Total current liabilities		229,935,919	494,777,131
Non-current liability			
Employees' end of service benefits		1,064,292	1,087,805
Total liabilities		231,000,211	495,864,936
Shareholders' equity			
Share capital	9	40,000,000	40,000,000
Legal reserve		11,909,409	11,909,409
Retained earnings		10,149,727	16,113,566
Fair value reserve		-	(249,962)
Total shareholders' equity		62,059,136	67,773,013
Total liabilities and shareholders' equity		293,059,347	563,637,949

Dr. Yousuf Ahmad Hussain Al Nama
Chairman and Managing Director

Jamal Abdullah Al-Jamal
Board Member

The attached notes 1 to 15 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 2015

	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>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
		<i>(Unaudited)</i>		<i>(Unaudited)</i>	
		<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
Brokerage and commission income		5,453,031	10,964,383	12,652,721	17,960,672
Brokerage and commission expense		(1,451,905)	(2,960,612)	(3,426,735)	(4,816,105)
Brokerage and commission income, net		4,001,126	8,003,771	9,225,986	13,144,567
Gain on sale of investment properties	6	592,935	-	1,185,870	-
Income from saving accounts with Islamic banks		121,151	107,450	250,138	206,318
Net (loss) gain from sale of available for sale financial assets		-	265,099	(402,326)	549,069
Impairment losses on available for sale financial assets		-	(135,633)	-	(298,904)
Dividend income		-	3,500	97,250	58,500
Net operating income		4,715,212	8,244,187	10,356,918	13,659,550
Other income		3,540	15,319	3,540	32,273
General and administrative expenses		(2,103,220)	(3,665,487)	(4,324,297)	(6,133,297)
Profit for the period		2,615,532	4,594,019	6,036,161	7,558,526
Basic and diluted earnings per share	11	0.65	1.15	1.51	1.89

The attached notes 1 to 15 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 2015

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June 2015 (Unaudited)</i>	<i>30 June 2014 (Unaudited)</i>	<i>30 June 2015 (Unaudited)</i>	<i>30 June 2014 (Unaudited)</i>
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
Profit for the period	2,615,532	4,594,019	6,036,161	7,558,526
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Changes in fair value of available for sale financial assets	-	(263,595)	-	(200,774)
Net loss on disposal of available-for-sale financial assets reclassified to the interim consolidated statement of income	-	-	249,962	-
Total comprehensive income for the period	2,615,532	4,330,424	6,286,123	7,357,752

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

Islamic Holding Group (Q.S.C.)

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	<i>Share capital QR</i>	<i>Legal reserve QR</i>	<i>Retained earnings QR</i>	<i>Fair value reserve QR</i>	<i>Total QR</i>
As at 1 January 2015 (Audited)	<u>40,000,000</u>	<u>11,909,409</u>	<u>16,113,566</u>	<u>(249,962)</u>	<u>67,773,013</u>
Profit for the period	-	-	6,036,161	-	6,036,161
Other comprehensive loss for the period	-	-	-	249,962	249,962
Total comprehensive income for the period	-	-	6,036,161	249,962	6,286,123
Dividends paid to shareholders (Note 10)	-	-	(12,000,000)	-	(12,000,000)
As at 30 June 2015 (Unaudited)	<u>40,000,000</u>	<u>11,909,409</u>	<u>10,149,727</u>	<u>-</u>	<u>62,059,136</u>

	<i>Share capital QR</i>	<i>Legal Reserve QR</i>	<i>Retained earnings QR</i>	<i>Fair Value reserve QR</i>	<i>Total QR</i>
As at 1 January 2014 (Audited)	<u>40,000,000</u>	<u>10,243,566</u>	<u>8,882,022</u>	<u>(158,570)</u>	<u>58,967,018</u>
Profit for the period	-	-	7,558,526	-	7,558,526
Other comprehensive loss for the period	-	-	-	(200,774)	(200,774)
Total comprehensive income (loss) for the period	-	-	7,558,526	(200,774)	7,357,752
Dividends paid to shareholders (Note 10)	-	-	(6,800,000)	-	(6,800,000)
As at 30 June 2014 (Unaudited)	<u>40,000,000</u>	<u>10,243,566</u>	<u>9,640,548</u>	<u>(359,344)</u>	<u>59,524,770</u>

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

Islamic Holding Group (Q.S.C.)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

	<i>Notes</i>	<i>Six months ended 30 June 2015 (Unaudited) QR</i>	<i>Six months ended 30 June 2014 (Unaudited) QR</i>
Operating activities			
Profit for the period		6,036,161	7,558,526
Adjustments for:			
Depreciation		102,712	331,006
Bank charges		111,530	108,681
Income from saving accounts with Islamic banks		(250,138)	(206,318)
Dividend income		(97,250)	(58,500)
Impairment losses on available for sale investments		-	298,904
Net loss (gain) from sale of available for sale investments		402,326	(549,069)
Net gain from sale of investment properties	6	(1,185,870)	-
Provision for employees' end of service benefits		76,308	173,232
		<u>5,195,779</u>	<u>7,656,462</u>
Working capital changes:			
Bank balances – customers' funds		243,927,028	(214,208,716)
Due from customers		-	(177,480)
Due to Qatar Exchange		20,610,217	3,273,326
Prepayments and other debit balances		(3,841,765)	(9,369,962)
Due to customers		(264,487,843)	211,806,954
Accrued expenses and other credit balances		(353,369)	(283,337)
		<u>1,050,047</u>	<u>(1,302,753)</u>
Cash used in operations:			
Bank charges		(111,530)	(108,681)
Employees end of service benefits paid		(99,821)	(19,480)
		<u>838,696</u>	<u>(1,430,914)</u>
Cash flows from (used in) operating activities			
Investing activities			
Purchases of property and equipment		(758,453)	(23,455)
Purchases of available for sale investments		-	(18,384,917)
Proceeds from sale of available for sale investments		2,122,267	17,986,987
Proceeds from sales of investment properties	6	6,800,000	-
Dividends income received		97,250	58,500
Income from saving accounts with Islamic banks received		250,138	206,318
		<u>8,511,202</u>	<u>(156,567)</u>
Cash flows from (used in) investing activities			
Financing activity			
Dividends paid to shareholders	10	(12,000,000)	(6,800,000)
Cash flows used in financing activity			
		<u>(12,000,000)</u>	<u>(6,800,000)</u>
Net decrease in Bank balances		(2,650,102)	(8,387,481)
Bank balances at 1 January		53,604,864	48,441,981
Bank balances at 30 June	3	<u>50,954,762</u>	<u>40,054,500</u>

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

Islamic Holding Group (Q.S.C.)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2015

1 GENERAL INFORMATION

Islamic Financial Securities Company (Q.P.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 Shara'a. The Company is governed by the provisions of Qatar Commercial Companies' Law No.5 of 2002 and the regulations of Qatar Financial Market Authority and Qatar Exchange.

The Board of Directors has decided to change the legal structure of the Company to a Qatari Public Shareholding Company on 22 September 2006, which was approved by the Ministry of Economy and Trade on 26 December 2006. The Company's shares were listed in Qatar Exchange on 3 March 2008.

In its Board of Directors meeting held on 28 December 2009 and the Extraordinary General Assembly Meeting held on 22 August 2010, the shareholders of the Group have resolved to change the Company's name and legal structure from Islamic Financial Securities Company (Qatar Public Shareholding Company) to Islamic Holding Group (Qatari Public Shareholding Company). The change was approved by the Qatar Financial Markets Authority and 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 (S.O.C) and Ajyad Real Estate Company (S.O.C) (hereinafter referred to as the "Group").

Islamic Financial Securities Company (S.O.C) was registered in the State of Qatar under Commercial Registration No. 46645 as a Single Owner Company 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.

Ajyad Real Estate Company (S.O.C) was incorporated in the state of Qatar as Single Owner Company 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 principal activities of the Company are real estate trading and brokerage activities.

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2015 were authorised for issue in accordance with a resolution of the Board of Directors on 14 July 2015.

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 (together referred to as the "Group") for the six months ended 30 June 2015 have been prepared in accordance with the International Accounting Standard 34 - "Interim Financial Reporting".

The interim condensed consolidated financial statements do not include all information and disclosures required for the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2014.

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

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 2015.

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.

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

<i>Company's name</i>	<i>Country of incorporation</i>	<i>Company's activities</i>	<i>Percentage of ownership at 30 June 2015</i>	<i>Percentage of ownership at 31 December 2014</i>
Islamic Financial Securities Company (S.O.C)	Qatar	Brokerage services	100%	100%
Ajyad Real Estate Company (S.O.C)	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 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 2014, except for the adoption of new standards and interpretations effective as of 1 January 2015 which are as follows:

- IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable). This is consistent with the Group's current accounting policy, and thus this amendment does not impact the Group's accounting policy.

- IFRS 8 Operating Segments

An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar' and the reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

- IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. The Group did not record any revaluation adjustments during the current interim period.

- IAS 24 Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for the Group as it does not receive any management services from other entities.

- IAS 40 Investment Property

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. In previous periods, the Group has relied on IFRS 3, not IAS 40, in determining whether an acquisition is of an asset or is a business acquisition. Thus, this amendment does not impact the accounting policy of the Group.

3 BANK BALANCES

	<i>30 June 2015 (Unaudited) QR</i>	<i>30 June 2014 (Unaudited) QR</i>	<i>31 December 2014 (Audited) QR</i>
Bank balances	<u>50,954,762</u>	<u>40,054,500</u>	<u>53,604,864</u>

Islamic Holding Group (Q.S.C.)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2015

4 BANK BALANCES – CUSTOMERS’ FUNDS

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

	<i>30 June 2015 (Unaudited) QR</i>	<i>31 December 2014 (Audited) QR</i>
Amounts paid to Al Tashelat Islamic Company W.L.L	-	10,500,000
Refundable deposits	2,000,250	2,000,250
Prepaid expenses	1,105,712	828,530
Other assets	100,175	70,917
Total	<u>3,206,137</u>	<u>13,399,697</u>

6 INVESTMENT PROPERTIES

During the six months period ended 30 June 2015, the Group sold investment properties to Al Tashelat Islamic Company W.L.L, a related party. The details of this transaction are summarised as follow:

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June 2015 (Unaudited) QR</i>	<i>30 June 2014 (Unaudited) QR</i>	<i>30 June 2015 (Unaudited) QR</i>	<i>30 June 2014 (Unaudited) QR</i>
Proceed from sale of investment properties	3,400,000	-	6,800,000	-
Cost of purchase of investment properties	(2,807,065)	-	(5,614,130)	-
Net gain on sale of investment properties	<u>592,935</u>	<u>-</u>	<u>1,185,870</u>	<u>-</u>

7 AVAILABLE FOR SALE FINANCIAL ASSETS

Available for sale financial assets include the following:

	<i>30 June 2015 (Unaudited) QR</i>	<i>31 December 2014 (Audited) QR</i>
Quoted equity securities		
Equity securities – Qatar (i)	-	2,274,631
Unquoted equity securities		
Equity securities – Qatar	<u>3,287,986</u>	<u>3,287,986</u>
Total	<u>3,287,986</u>	<u>5,562,617</u>

(i) During the six months period ended at 30 June 2015 the Group sold the quoted equity portfolio in the equity securities, and realised a loss of QR 402,326 (30 June 2014: realised gain on sale of equity securities of QR 549,069)

Islamic Holding Group (Q.S.C.)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2015

8 ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	<i>30 June 2015 (Unaudited) QR</i>	<i>31 December 2014 (Audited) QR</i>
Dividends payable	1,324,119	536,137
Al Tashelat Islamic Company W.L.L	840,000	-
Payable to shareholders from sales of shares	377,779	398,939
Accrued expenses	215,112	687,796
Notes payable	214,078	321,116
Provision for sports and social activities contribution	-	402,497
Other liabilities	235,768	1,213,740
Total	3,206,856	3,560,225

9 SHARE CAPITAL

	<i>30 June 2015 (Unaudited) QR</i>	<i>31 December 2014 (Audited) QR</i>
Authorized, issued and fully paid-up share capital: 4,000,000 shares with a value of QR 10 per share	40,000,000	40,000,000

During its 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 be 6,000,000 shares, and 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 share and QR 40 as issuance premium per share through private offering to shareholders. Currently, approvals of Ministry of Economic and Trade on the proposed premium are under process in preparation to receive the approval of shareholders on the capital increase, the related share premium and the start date for the Initial Public Offer procedures at the Extra-ordinary General Assembly meeting.

10 DIVIDENDS

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.

The Annual General Assembly Meeting of the Company that was held on 18 February 2014 approved QR 1.7 per share totalling to QR 6,800,000 as cash dividends relating to 2013.

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:

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2015 (Unaudited) QR</i>	<i>2014 QR</i>	<i>2015 (Unaudited) QR</i>	<i>2014 QR</i>
Profit for the period (QR)	2,615,532	4,594,019	6,036,161	7,558,526
Weighted average number of shares	4,000,000	4,000,000	4,000,000	4,000,000
Basic and diluted earnings per share (QR)	0.65	1.15	1.51	1.89

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.

Islamic Holding Group (Q.S.C.)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2015

12 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:

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June 2015 (Unaudited) QR</i>	<i>30 June 2014 (Unaudited) QR</i>	<i>30 June 2015 (Unaudited) QR</i>	<i>30 June 2014 (Unaudited) QR</i>
Income from saving accounts with Islamic banks	97,830	107,450	185,284	206,318
Brokerage and commission income, net	240,469	771,419	711,695	1,763,495
Returned commissions	275,664	746,061	681,897	1,737,267
Gain on sale of investment properties	592,935	-	1,185,870	-

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

	<i>30 June 2015 (Unaudited) QR</i>	<i>31 December 2014 (Audited) QR</i>
Due from a related party:		
Al Tashelat Islamic Company W.L.L	-	10,500,000
Due to related parties:		
Al Tashelat Islamic Company W.L.L	840,000	-
Payable to shareholders from sales of shares	377,779	398,939
Bank balances	12,766,158	13,512,159
Bank balances- Customers' funds	219,968,350	463,238,092

12 RELATED PARTIES TRANSACTIONS (CONTINUED)

Key management remuneration

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

	<i>Six months ended 30 June 2015 (Unaudited) QR</i>	<i>Six Months ended 30 June 2014 (Unaudited) QR</i>
Short term benefits	<u>667,800</u>	<u>655,800</u>

13 FAIR FINANCIAL INSTRUMENTS

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 2015, the Group held the following financial instruments measured at fair value:

<i>30 June 2015 (Unaudited)</i>	<i>Total QR</i>	<i>Level 1 QR</i>	<i>Level 2 QR</i>	<i>Level 3 QR</i>
Available for sale investments	<u>3,287,986</u>	<u>-</u>	<u>-</u>	<u>3,287,986</u>
	<i>Total QR</i>	<i>Level 1 QR</i>	<i>Level 2 QR</i>	<i>Level 3 QR</i>
<i>31 December 2014 (Audited)</i>				
Available for sale investments	<u>5,562,617</u>	<u>2,274,631</u>	<u>-</u>	<u>3,287,986</u>

During the period ended on 30 June 2015, 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.S.C.)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2015

14 SEGMENT INFORMATION

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

<i>Six months ended 30 June 2014 (Unaudited)</i>	<i>Brokerage Service</i>	<i>Real estate</i>	<i>Other</i>	<i>Total</i>	<i>Adjustments and eliminations</i>	<i>Consolidated</i>
Net brokerage and commission income	9,225,986	-	-	9,225,986	-	9,225,986
Gain on sale of trading property	-	1,185,870	-	1,185,870	-	1,185,870
Others	183,605	5,219	15,710,892	15,899,716	(15,548,788)	350,928
Segment revenue	<u>9,409,591</u>	<u>1,191,089</u>	<u>15,710,892</u>	<u>26,311,572</u>	<u>(15,548,788)</u>	<u>10,762,784</u>
Segment profit	<u>5,357,135</u>	<u>1,123,289</u>	<u>14,548,324</u>	<u>21,028,748</u>	<u>(14,992,587)</u>	<u>6,036,161</u>
Depreciation	<u>88,120</u>	-	<u>14,592</u>	<u>102,712</u>	-	<u>102,712</u>
<i>Six months ended 30 June 2014 (Unaudited)</i>	<i>Brokerage Service</i>	<i>Real estate</i>	<i>Other</i>	<i>Total</i>	<i>Adjustments and eliminations</i>	<i>Consolidated</i>
Net brokerage and commission income	13,144,567	-	-	13,144,567	-	13,144,567
Others	123,039	6,787	1,553,647	1,683,473	(869,586)	813,887
Segment revenue	<u>13,267,606</u>	<u>6,787</u>	<u>1,553,647</u>	<u>14,828,040</u>	<u>(869,586)</u>	<u>13,958,454</u>
Segment profit (loss)	<u>7,197,626</u>	<u>(35,733)</u>	<u>396,633</u>	<u>7,558,526</u>	-	<u>7,558,526</u>
Depreciation	<u>323,331</u>	-	<u>2,675</u>	<u>326,006</u>	-	<u>326,006</u>

The following table presents the segment assets and liabilities:

<i>At 30 June 2015 (Unaudited)</i>	<i>Brokerage Service</i>	<i>Real estate</i>	<i>Other</i>	<i>Total</i>	<i>Adjustments and eliminations</i>	<i>Consolidated</i>
Segment assets	<u>267,996,989</u>	<u>12,066,066</u>	<u>55,275,841</u>	<u>335,338,896</u>	<u>(42,279,549)</u>	<u>293,059,347</u>
Segment liabilities	<u>228,769,746</u>	<u>5,840,000</u>	<u>238,017</u>	<u>234,847,763</u>	<u>(3,847,552)</u>	<u>231,000,211</u>
<i>At 31 December 2014 (Audited)</i>	<i>Brokerage Service</i>	<i>Real estate</i>	<i>Other</i>	<i>Total</i>	<i>Adjustments and eliminations</i>	<i>Consolidated</i>
Segment assets	<u>533,751,006</u>	<u>11,113,287</u>	<u>51,485,082</u>	<u>596,349,375</u>	<u>(32,711,426)</u>	<u>563,637,949</u>
Segment liabilities	<u>494,888,310</u>	<u>6,002,250</u>	<u>2,685,805</u>	<u>503,576,365</u>	<u>(7,711,429)</u>	<u>495,864,936</u>

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

Islamic Holding Group (Q.S.C.)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2015

15 CONTINGENT LIABILITIES

	<i>30 June 2015 (Unaudited) QR</i>	<i>31 December 2014 (Audited) QR</i>
Letters of guarantee to Qatar Exchange	<u>125,000,000</u>	<u>85,000,000</u>