CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

QATAR FIRST BANK L.L.C (Public)

31 March 2017

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF QATAR FIRST BANK L.L.C (PUBLIC)

Introduction

We have reviewed the accompanying 31 March 2017 condensed consolidated interim financial statements of Qatar First Bank L.L.C (Public) ('the Bank') and its subsidiaries (together referred to as the 'Group'), which comprise:

- the condensed consolidated statement of financial position as at 31 March 2017;
- the condensed consolidated income statement for the three-month period ended 31 March 2017;
- the condensed consolidated statement of changes in equity for the three-month period ended 31 March 2017;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 2017; and
- notes to the condensed consolidated interim financial statements.

The Board of Directors of the Bank is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with Financial Accounting Standards ('FAS') issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ('AAOIFI'). Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'*. A review of interim financial statements 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 Auditing Standards for Islamic Financial Institutions 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 31 March 2017 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with FAS issued by AAOIFI.

INDEPENDENT AUDITOR'S REPORT (Continued)

Other matter

We draw attention to the fact that we have not reviewed the accompanying condensed consolidated statement of financial position as at 31 March 2016, the condensed consolidated income statement for the three-month period ended 31 March 2016, the condensed consolidated statements of changes in equity and cash flows for the three-month period ended 31 March 2016, or any of the related notes to the condensed consolidated interim financial statements, and accordingly, we do not express a review conclusion thereon.

26 April 2017
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Auditor's Registration No. 251

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2017 (expressed in QAR'000)

QFB

	Notes	31 March 2017 (Reviewed)	31 December 2016 (Audited)
ASSETS			
Cash and cash equivalents		1,175,702	1,113,796
Due from banks		155,000	355,000
Investments carried at amortised cost	4	789,904	893,217
Financing assets	5	1,567,027	1,472,871
Accounts receivable		290,723	249,691
Inventories		65,555	64,113
Equity investments	6	1,132,551	1,176,160
Investments in real estate		215,223	218,138
Fixed assets		170,417	168,543
Intangible assets		28,099	26,705
Assets classified as held-for-sale	7	69,791	86,253
Other assets		154,081	153,312
TOTAL ASSETS		5,814,073	5,977,799
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS AND EQUITY			
Liabilities			
Financing liabilities	8	1,079,515	1,100,228
Customers' balances		71,120	108,396
Other liabilities		194,997	196,454
Total Liabilities		1,345,632	1,405,078
Equity of Unrestricted Investment Account Holders	9	2,588,147	2,697,670
Equity			
Share capital	10	2,000,000	2,000,000
Fair value reserve		14,430	(561)
Accumulated deficit		(210,315)	(200,754)
Total Equity Attributable to Shareholders of the Bank		1,804,115	1,798,685
Non-controlling interest		76,179	76,366
Total Equity		1,880,294	1,875,051
TOTAL LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS AND EQUITY		5,814,073	5,977,799

These condensed consolidated interim financial statements were authorised for issuance by the Board of Directors on 26 April 2017 and signed on its behalf by:

Abdulla bin Fahad bin Ghorab Al Marri
Chairman

Khaled Al Khoori
Acting Chief Executive Officer

The attached notes 1 to 18 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the three-month period ended 31 March 2017 (expressed in QAR'000)

	Notes	For the three-month period ended 31 March 2017 (Reviewed)	31 March 2016 (Unreviewed)
CONTINUING OPERATIONS			
INCOME			
Revenue from non-banking activities	11	89,729	108,044
Gain / (loss) on re-measurement of investments at fair value through income statement	6.2	1,588	(4,793)
Dividend income		4,871	4,285
Profit on investments carried at amortised cost		7,591	6,284
Loss on disposal of investments carried at amortised cost		(437)	-
Gain on disposal of equity investments		1,749	-
Income from financing assets		21,047	14,776
Income from placements with financial institutions		8,779	6,014
Other income		8,342	16,095
Total Income Before Return To Unrestricted Investment Account Holders		143,259	150,705
Return to investment account holders		(21,774)	(18,522)
TOTAL INCOME		121,485	132,183
EXPENSES			
Expenses from non-banking activities	11	(89,343)	(106,558)
Staff costs		(17,576)	(19,932)
Other operating expenses		(13,372)	(15,738)
Financing costs		(5,740)	(2,729)
Depreciation and amortisation		(3,122)	(3,309)
TOTAL EXPENSES		(129,153)	(148,266)
Provision for impairment on financing assets	5	(2,080)	(3,223)
NET LOSS BEFORE INCOME TAX		(9,748)	(19,306)
Income tax expense		-	-
NET LOSS FOR THE PERIOD		(9,748)	(19,306)
Attributable to:			
Equity holders of the Bank		(9,561)	(19,598)
Non-controlling interest		(187)	292
		(9,748)	(19,306)
Basic/diluted loss per share –QAR	12	(0.05)	(0.10)

The attached notes 1 to 18 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the three-month period ended 31 March 2017 (expressed in QAR'000)

		Fair value reserves					
	Share capital	Investment fair value reserve	Property fair value reserve	(Accumulated deficit)/ Retained earnings	Total equity attributable to equity holders of the Bank	Non-controlling interests	Total equity
Balance at 1 January 2016 (Audited)	2,000,000	(27,256)	5,013	68,319	2,046,076	53,968	2,100,044
Fair value adjustment (Unreviewed)		6,195	-	-	6,195	-	6,195
Net loss for the period (Unreviewed)	-	-	-	(19,598)	(19,598)	292	(19,306)
Increase in non-controlling interests due to:							
- Subsidiary's management remuneration	-	-	(877)	-	(877)	4,956	4,079
Balance at 31 March 2016 (Unreviewed)	2,000,000	(21,061)	4,136	48,721	2,031,796	59,216	2,091,012
Balance at 1 January 2017 (Audited)	2,000,000	(5,079)	4,518	(200,754)	1,798,685	76,366	1,875,051
Fair value adjustment (Reviewed)	-	14,991	-	-	14,991	-	14,991
Net loss for the period (Reviewed)	-	-	-	(9,561)	(9,561)	(187)	(9,748)
Balance at 31 March 2017 (Reviewed)	2,000,000	9,912	4,518	(210,315)	1,804,115	76,179	1,880,294

The attached notes 1 to 18 form an integral part of these condensed consolidated interim financial statements.

For the three-month period ended 31 March 2017 (expressed in QAR'000)

	Notes	For the three-month period ended 31March 2017 (Reviewed)	31March 2016 (Unreviewed)
OPERATING ACTIVITIES			
Net loss for the period		(9,748)	(19,306)
Adjustments for non-cash items in net loss			
Depreciation and amortisation		8,439	8,201
Subsidiary's management remuneration		-	1,895
Unrealised gains on equity investments	*6.2*	(1,588)	4,793
Provision for impairment of financing assets	*5*	2,080	3,223
Other provisions, net		4,592	-
		3,775	(1,194)
Changes in:			
Due from banks		200,000	-
Investments carried at amortised cost		103,313	1,252
Financing assets		(96,236)	(29,270)
Accounts receivable		(41,032)	(714)
Inventories		(6,034)	(3,960)
Equity investments		60,188	(91)
Investments in real estate		2,915	(2,808)
Assets of disposal group classified as held-for-sale		16,462	-
Other assets		(769)	(10,838)
Customers' balances		(37,276)	27,207
Other liabilities		(1,457)	2,280
Net cash from / (used in) operating activities		203,849	(18,136)
INVESTING ACTIVITIES			
Purchase of fixed and intangible assets		(11,707)	(12,500)
Net cash used in investing activities		(11,707)	(12,500)
FINANCING ACTIVITIES			
Net change in financing liabilities		(20,713)	47,804
Net change in equity of investment account holders		(109,523)	(270,820)
Net cash used in financing activities		(130,236)	(223,016)
Net increase / (decrease) in cash and cash equivalents		61,906	(253,652)
Cash and cash equivalents at the beginning of the period		1,113,796	1,603,963
Cash and cash equivalents at the end of the period		1,175,702	1,350,311

The attached notes 1 to 18 form an integral part of these condensed consolidated interim financial statements.

As at and for the three-month period ended 31 March 2017 (expressed in QAR'000)

1. REPORTING ENTITY

Qatar First Bank L.L.C (Public) ("the Bank" or "the Parent") is an Islamic bank, which was established in the State of Qatar as a limited liability company under license No.00091, dated 4 September 2008, from the Qatar Financial Centre Authority. The Bank is authorised to conduct the following regulated activities by the Qatar Financial Centre Regulatory Authority (the "QFCRA"):

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

All the Bank's activities are regulated by the QFCRA and are conducted in accordance with Islamic Shari'a principles, as determined by the Shari'a Supervisory Board of the Bank and in accordance with the provisions of its Articles of Association. The Bank operates through its head office located on Suhaim bin Hamad Street, Doha, State of Qatar.

The Bank's issued shares are listed for trading on the Qatar Exchange effective from 27 April 2016 (ticker: "QFBQ").

The condensed consolidated interim financial statements of the Bank for the three-month period ended 31 March 2017 comprise the Bank and its subsidiaries (together referred to as "the Group" and individually as "Group entities"). The Parent Company / Ultimate Controlling Party of the Group is Qatar First Bank L.L.C (Public).

The Bank had the following subsidiaries as at 31 March 2017 and 31 December 2016:

Subsidiaries	Activity	Effective ownership as at 31 March 2017	Effective ownership as at 31 December 2016	Year of incorpo-ration	Country
Future Card Industries LLC	Manufac-turing	**71.3%**	71.3%	2012	UAE
Al Wasita Emirates for Catering Services LLC	Catering	**81.9%**	85.0%	2008	UAE
Isnad Catering Services WLL	Catering	**75.0%**	75.0%	2012	Qatar
QFB Money Market Fund 1 Ltd.	Money market fund	**100.0%**	100.0%	2015	Cayman Islands
QFB Capital (DIFC) Limited	Managing a collective investment fund	**100.0%**	-	2017	UAE

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements of the Group have been prepared in accordance with Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI"). In line with the requirements of AAOIFI, for matters that are not covered by FAS, the Group uses the guidance from the relevant International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB"). Accordingly, the condensed consolidated interim financial statements have been prepared in accordance with the guidance provided by International Accounting Standard 34 – 'Interim Financial Reporting'.

The condensed consolidated interim 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-month period ended 31 March 2017 are not necessarily indicative of results that may be expected for the financial year ending 31 December 2017.

The condensed consolidated interim financial statements have been prepared under the historical cost convention except for valuation of equity investments, investments in real estate and Sharia-compliant-risk management instruments which are carried at fair value.

The condensed consolidated interim financial statements are presented in Qatari Riyals ("QAR"), which is the Bank's functional and presentational currency, and all values are rounded to the nearest QAR thousand except when otherwise indicated. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Judgement and estimates

The preparation of the condensed consolidated interim financial statements in conformity with FAS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are consistent with those applied to the annual consolidated financial statements as at 31 December 2016.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2016.

3.1 New standards, amendments and interpretations

There were no new accounting standards, amendments and interpretations that (i) are issued and effective from 1 January 2017; (ii) are issued but not yet effective.

As at and for the three-month period ended 31 March 2017 (expressed in QAR'000)

4. INVESTMENTS CARRIED AT AMORTISED COST

	31 March 2017 (Reviewed)	31 December 2016 (Audited)
Investments in sukuk	784,893	887,905
Unamortised premiums and discounts, net	5,011	5,312
	789,904	893,217

As at 31 March 2017, the fair value of the Group's investments in sukuk portfolio amounted to QAR 794 million (31 December 2016: QAR 897 million). As at 31 March 2017, investments in sukuk with a carrying amount of QAR 717 million were pledged against certain murabaha financing liabilities (31 December 2016: QAR 718 million).

5. FINANCING ASSETS

	31 March 2017 (Reviewed)	31 December 2016 (Audited)
Murabaha financing	1,758,322	1,642,904
Ijarah receivable	58,266	64,721
Others	14,321	12,742
Total financing assets	1,830,909	1,720,367
Deferred profit	(233,173)	(218,867)
Provision for impairment on financing assets	(30,709)	(28,629)
Net financing assets	1,567,027	1,472,871

Movements in the provision for impairment on financing assets are as follows:

	31 March 2017			31 December 2016		
	Specific provision	Collective provision	Total	Specific provision	Collective provision	Total
At the beginning of the period/year	21,723	6,906	28,629	3,313	-	3,313
Provision during the period / year, net of recoveries	1,451	629	2,080	18,410	6,906	25,316
At the end of the period / year	23,174	7,535	30,709	21,723	6,906	28,629

Provision for impairment for financing assets, net of recoveries for the three-month period ended 31 March 2017 was QAR 2.1 million (for the three-month period ended 31 March 2016: QAR 3.2 million).

6. EQUITY INVESTMENTS

	Notes	31 March 2017 (Reviewed)	31 December 2016 (Audited)
Investments at fair value through equity	*6.1*	162,571	147,580
Investments at fair value through income statement	*6.2*	969,980	1,028,580
		1,132,551	1,176,160

As at and for the three-month period ended 31 March 2017 (expressed in QAR'000)

6 EQUITY INVESTMENTS (Continued)

As at 31 March 2017, equity investments with a carrying amount of QAR 284 million were pledged against certain murabaha financing liabilities (31 December 2016: QAR 421 million).

6.1. Investments at fair value through equity

Investments at fair value through equity comprise equity investments as follows:

	31 March 2017 (Reviewed)	31 December 2016 (Audited)
Quoted	136,283	121,292
Unquoted	26,288	26,288
	162,571	147,580

Unquoted equity securities of QAR 26.3 million as at 31 March 2017 (31 December 2016: QAR 26.3 million) are carried at cost less impairment in the absence of reliable measure of fair value.

6.2. Investments at fair value through income statement

Investments at fair value through income statement comprise of equity investments as follows:

	31 March 2017 (Reviewed)	31 December 2016 (Audited)
Investment type		
Venture capital investments	762,410	760,458
Other investments at fair value through income statement	207,570	268,122
	969,980	1,028,580

Movements in equity investments are as follows:

	31 March 2017			31 December 2016		
	Investments at fair value through equity (Reviewed)	Investments at fair value through income statement (Reviewed)	Total (Reviewed)	Investments at fair value through equity (Audited)	Investments at fair value through income statement (Audited)	Total (Audited)
At the beginning of period/year	147,580	1,028,580	1,176,160	125,403	1,283,546	1,408,949
Additions	-	364	364	-	11,666	11,666
Disposal	-	(60,552)	(60,552)	-	(90,136)	(90,136)
Fair value adjustments	14,991	1,588	16,579	22,177	(176,496)	(154,319)
At the end of the period/year	162,571	969,980	1,132,551	147,580	1,028,580	1,176,160

As at and for the three-month period ended 31 March 2017 (expressed in QAR'000)

6 EQUITY INVESTMENTS (Continued)

Gain on remeasurement of investments at fair value through income statement for the three-month period ended 31 March 2017 was QAR 1.6 million (for the three-month period ended 31 March 2016: loss of QAR 4.8 million).

7. ASSETS CLASSIFIED AS HELD-FOR-SALE

Subsequent to year-end 31 December 2016, the Bank signed a sale purchase agreement to sell one of its investments for a series of installments, accordingly the Bank had classified and presented the investment of QAR 86.3 million to assets held-for-sale in the consolidated financial statements for the year ended 31 December 2016. During the period, as part of the conditions precedent to the sale purchase agreement, the Bank partially exited QAR 16.5 million of the carrying amount.

8. FINANCING LIABILITIES

	31 March 2017 (Reviewed)	31 December 2016 (Audited)
Accepted wakala deposits	36,408	36,427
Murabaha financing	1,005,799	1,046,337
Ijara financing	24,178	17,464
Mudaraba financing	13,130	-
	1,079,515	1,100,228

9. EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS

	31 March 2017 (Reviewed)	31 December 2016 (Audited)
Term accounts	2,574,691	2,681,783
Profit payable to equity of investment account holders	13,456	15,887
	2,588,147	2,697,670

10. SHARE CAPITAL

	31 March 2017 (Reviewed)	31 December 2016 (Audited)
Authorized		
250,000,000 ordinary shares (2016: 250,000,000 ordinary shares) of QAR 10 each	2,500,000	2,500,000
Issued and paid		
200,000,000 ordinary shares (2016: 200,000,000 ordinary shares) of QAR 10 each	2,000,000	2,000,000

As at and for the three-month period ended 31 March 2017 (expressed in QAR'000)

11. REVENUE AND EXPENSES FROM NON-BANKING ACTIVITIES

	31 March 2017 (Reviewed)	31 March 2016 (Unreviewed)
Sales	89,101	108,018
Other income	628	26
Revenue from non-banking activities	89,729	108,044
Cost of sales	(67,576)	(83,481)
Other expenses	(15,825)	(17,934)
Finance costs	(5,942)	(5,143)
Expenses from non-banking activities	(89,343)	(106,558)
Net income from non-banking activities	386	1,486

12. BASIC / DILUTED LOSS PER SHARE

The calculation of basic loss per share is based on the net loss attributable to the Bank's shareholders and the weighted average number of shares outstanding during the period.

	31 March 2017 (Reviewed)	31 March 2016 (Unreviewed)
Basic loss per share		
Net loss attributable to the equity holders of the Bank	(9,561)	(19,598)
Total weighted average number of shares	200,000	200,000
Basic loss per share (QAR)	(0.05)	(0.10)

Since there is no significant dilutive impact, basic loss per share equal the dilutive earning per share.

13. CONTINGENT LIABILITIES

The Group had the following contingent liabilities at the period / year end:

	31 March 2017 (Reviewed)	31 December 2016 (Audited)
Letters of credit	-	913
Letters of guarantee	72,629	74,654
Unutilised credit facilities	21,683	133,341
	94,312	208,908

Contingent liabilities related to Sharia-compliant-risk-management instruments, representing notional amounts, amounted to QAR 1.959 million (31 December 2016: QAR 2,120 million).

As at and for the three-month period ended 31 March 2017 (expressed in QAR'000)

14. COMMITMENTS

	31 March 2017 (Reviewed)	31 December 2016 (Audited)
Commitment for operating lease		
Later than one year	59,435	71,797
No later than one year	26,590	27,522
	86,025	99,319
Investment related commitment	22,644	22,306
Commitment for operating and capital expenditure	706	729
	109,375	122,354

15. RELATED PARTIES TRANSACTIONS AND BALANCES

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 the significant owners and entities over which the Group and the owners exercise significant influence, directors and senior management personnel of the Group, close family members, entities owned or controlled by them, associates and affiliated companies. Balances and transactions in respect of related parties included in the financial statements are as follows:

		31 March 2017 (Reviewed)		
	Notes	Affiliated entities/ persons	Associates	Total
a) Condensed consolidated statement of financial position				
Financing assets	*5*	5,797	119,542	125,339
Other assets		8,426	-	8,426
b) Condensed consolidated income statement				
Income from financing assets		66	1,685	1,751
Dividend income		-	4,871	4,871

The balances of related parties as at 31 December 2016 are as follows:

		31 December 2016 (Audited)		
	Notes	Affiliated entities/ persons	Associates	Total
a) Condensed consolidated statement of financial position				
Financing assets	*5*	5,587	114,460	120,047
Other assets		9,846	-	9,846
Other liabilities		65	-	65

As at and for the three-month period ended 31 March 2017 (expressed in QAR'000)

15. RELATED PARTIES TRANSACTIONS AND BALANCES (Continued)

Transactions with related parties for the corresponding period of three-month period ended 31 March 2016 are as follows:

	31 March 2016 (unreviewed)		
	Affiliated entities/ persons	Associates	Total
b) Condensed consolidated income statement			
Income from financing assets	15	2,929	2,944
Dividend income	-	4,285	4,285

Key management compensation is presented below:

c) Compensation of key management personnel	**31 March 2017 (Reviewed)**	31 March 2016 (Unreviewed)
Senior management personnel	**7,005**	7,116
Directors' remuneration	**-**	1,143
Shari'a Supervisory Board remuneration	**148**	120
	7,153	8,379

16. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value profit rate risk, cash flow profit rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements; they should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2016. There have been no significant changes.

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group's financial instruments are accounted for under the historical cost method with the exception of equity investments. By contrast, the fair value represents the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. Differences therefore can arise between book values under the historical cost method and fair value estimates. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms. Generally accepted methods of determining fair value include reference to quoted prices and the use of valuation techniques such as discounted cash flow analysis.

As at and for the three-month period ended 31 March 2017 (expressed in QAR'000)

17. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Set out below is a comparison of the carrying amounts and fair values of financial instruments:

		31 March 2017 (Reviewed)	
	Notes	Carrying Amount	Fair Value
Financial Assets:			
Cash and cash equivalents		1,175,702	1,175,702
Due from banks		155,000	155,000
Investments carried at amortised cost	*4*	789,904	793,948
Financing assets	*5*	1,567,027	1,567,027
Accounts receivable		290,723	290,723
Equity investments	*6*	1,132,551	1,132,551
Assets of disposal group classified as held-for-sale		69,791	69,791
Other assets		154,081	154,081
		5,334,779	5,338,823
Financial Liabilities:			
Financing liabilities	*8*	1,079,515	1,079,515
Customers' balances		71,120	71,120
Other liabilities		194,997	194,997
Equity of unrestricted investment account holders	*9*	2,588,147	2,588,147
		3,933,779	3,933,779

		31 December 2016 (Audited)	
	Notes	Carrying Amount	Fair Value
Financial Assets:			
Cash and cash equivalents		1,113,796	1,113,796
Due from banks		355,000	355,000
Investments carried at amortised cost	*4*	893,217	897,202
Financing assets	*5*	1,472,871	1,472,871
Accounts receivable		249,691	249,691
Equity investments	*6*	1,176,160	1,176,160
Assets of disposal group classified as held-for-sale		86,253	86,253
Other assets		82,132	82,132
		5,429,120	5,433,105
Financial Liabilities:			
Financing liabilities	*8*	1,100,228	1,100,228
Customers' balances		108,396	108,396
Other liabilities		185,693	185,693
Equity of unrestricted investment account holders	*9*	2,697,670	2,697,670
		4,091,987	4,091,987

17.1. Fair value hierarchy

Fair value measurements are analysed by level in the fair value hierarchy as follows:

(i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities,

(ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and

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17. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

17.1 Fair value hierarchy (Continued)

(iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgment in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement.

	Note	Level 1	Level 2	Level 3	Total
31 March 2017 (Reviewed)					
Equity investments					
- at fair value through equity	*6.1*	136,283	-	26,288	162,571
- at fair value through income statement	*6.2*	-	-	969,980	969,980
Net gains and losses included in the condensed consolidated statement of changes in equity		14,991	-	-	14,991
Net gains and losses, recognized through condensed consolidated income statement		-	-	1,588	1,588

	Note	Level 1	Level 2	Level 3	Total
31 December 2016 (Audited)					
Equity investments					
- at fair value through equity	*6.1*	121,292	-	26,288	147,580
- at fair value through income statement	*6.2*	-	-	1,028,580	1,028,580
31 March 2016 (Unreviewed)					
Net gains and losses included in the condensed consolidated statement of changes in equity		6,195	-	-	6,195
Net gains and losses, recognized through condensed consolidated income statement		-	-	(4,793)	(4,793)

Sharia-compliant-risk management instruments for which fair value amounts to QAR 3.2 million (31 December 2016: QAR 5.2 million) is derived using Level 2 fair value hierarchy.

The valuation techniques and key assumptions have remained consistent with those disclosed in the annual consolidated financial statements as at and for the year ended 31 December 2016.

The fair values of financial assets and financial liabilities carried at amortized cost are equal to the carrying value, hence, not included in the fair value hierarchy table. However, investments carried at amortised cost for which the fair value amounts to QAR 794 million (31 December 2016: QAR 897 million) is derived using Level 1 fair value hierarchy.

18. SEGMENT INFORMATION

For management purposes, the Group has three reportable segments, as described below:

Alternative Investments

The Group's alternative investments business segment includes direct investment in the venture capital business and real estate asset classes. Alternative investments business is primarily responsible to acquire large or significant stakes, with board representation, in well managed companies and assets that have strong, established market positions and the potential to develop and expand. The team works as partners with the management of investee companies to unlock value through enhancing operational and financial performance in order to maximize returns. This segment seeks investments opportunities in growth sectors within the GCC and MENA region, as well as Turkey and United Kingdom, but remains opportunistic to attractive investment propositions outside of the geographies identified.

Private Bank

The Group's private bank business segment includes private banking, corporate & institutional banking and treasury & investment management services. The Private banking department targets qualified High Net Worth clients with Sharia compliant up-market products and services that address personal, business and wealth requirements. The services offered under the private banking department includes advisory, deposit accounts, brokerage, funds and investments, treasury Forex products, plain vanilla & specialized financing, credit card and Elite services. The corporate & institutional banking department offers deposits accounts and plain vanilla & specialized financing solutions for corporates in Qatar, the GCC and the broader region for sectors and applications currently underserved by regional banks. The treasury department is offering short term liquid investments and FX products to banking clients, deploying the bank's liquidity as well as leading the product development and idea conceptualization function.

Other

Unallocated assets, liabilities and revenues are related to some central management and support functions of the Group.

Information regarding the results, assets and liabilities of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the management.

Segment assets and liabilities

The Group does not monitor segments on the basis of segment assets and liabilities and do not possess detailed information thereof. Consequently, disclosure of segment assets and liabilities are not presented in these condensed consolidated interim financial statements.

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18. SEGMENT INFORMATION (Continued)

Below is the information about operating segments:

For the period ended 31 March 2017 (Reviewed)	Alternative Invest-ments	Private Bank	Other	Total
INCOME				
Revenue from non-banking activities	89,729	-	-	89,729
Gain on re-measurement of investments at fair value through income statement	1,588	-	-	1,588
Dividend income	4,871	-	-	4,871
Profit on investments carried at amortised cost	-	7,591	-	7,591
Loss on disposal of investments carried at amortised cost	-	(437)	-	(437)
Gain on disposal of equity investments	1,749	-	-	1,749
Income from financing assets	1,685	19,362	-	21,047
Income from placements with financial institutions	-	8,779	-	8,779
Other income	1,241	4,760	2,341	8,342
Total Income Before Return To Investment Account Holders	100,863	40,055	2,341	143,259
Return to unrestricted investment account holders	-	(21,774)	-	(21,774)
TOTAL INCOME	100,863	18,281	2,341	121,485
EXPENSES				
Expenses from non-banking activities	(89,343)	-	-	(89,343)
Staff costs	(3,666)	(4,485)	(9,425)	(17,576)
Other operating expenses	(3,448)	(3,117)	(6,807)	(13,372)
Financing costs	(2,363)	(3,377)	-	(5,740)
Depreciation and amortization	(83)	(1,634)	(1,405)	(3,122)
TOTAL EXPENSES	(98,903)	(12,613)	(17,637)	(129,153)
Provision for impairment on financing assets	(181)	(1,899)	-	(2,080)
NET PROFIT/(LOSS) BEFORE INCOME TAX	1,779	3,769	(15,296)	(9,748)
Income tax expense	-	-	-	-
NET PROFIT / (LOSS) FOR THE PERIOD	1,779	3,769	(15,296)	(9,748)

As at and for the three-month period ended 31 March 2017 (expressed in QAR'000)

18. SEGMENT INFORMATION (Continued)

For the period ended 31 March 2016 (Unreviewed)	Alternative Investments	Private Bank	Other	Total
INCOME				
Revenue from non-banking activities	108,044	-	-	108,044
Loss on re-measurement of investments at fair value through income statement	(4,793)	-	-	(4,793)
Dividend income	4,285	-	-	4,285
Profit on investments carried at amortised cost	-	6,284	-	6,284
Income from financing assets	2,929	11,847	-	14,776
Income from placements with financial institutions	-	6,014	-	6,014
Other income	8,265	5,536	2,294	16,095
Total Income Before Return To Investment Account Holders	118,730	29,681	2,294	150,705
Return to unrestricted investment account holders	-	(18,522)	-	(18,522)
TOTAL INCOME	118,730	11,159	2,294	132,183
EXPENSES				
Expenses from non-banking activities	(106,558)	-	-	(106,558)
Staff costs	(3,637)	(4,999)	(11,296)	(19,932)
Other operating expenses	(3,021)	(2,465)	(10,252)	(15,738)
Financing costs	(2,729)	-	-	(2,729)
Depreciation and amortization	(96)	(1,753)	(1,460)	(3,309)
TOTAL EXPENSES	(116,041)	(9,217)	(23,008)	(148,266)
Provision for impairment on financing assets	(185)	(3,038)	-	(3,223)
NET PROFIT/(LOSS) BEFORE INCOME TAX	2,504	(1,096)	(20,714)	(19,306)
Income tax expense	-	-	-	-
NET PROFIT / (LOSS) FOR THE PERIOD	2,504	(1,096)	(20,714)	(19,306)