

**Dlala Brokerage and Investment
Holding Company Q.P.S.C.**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

31 MARCH 2017

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF DLALA BROKERAGE AND INVESTMENT HOLDING
COMPANY Q.P.S.C.**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statement of **Dlala Brokerage and Investment Holding Company Q.P.S.C.** (the “Company”) and its subsidiaries (together referred to as “the Group”), Doha – state of Qatar as of 31 March 2017, comprising of the interim consolidated statement of financial position as of 31 March 2017 and related interim consolidated statement of income, comprehensive income, cash flows and changes in equity for the three month period then ended and other explanatory information. Board of directors is 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 aspects, in accordance with International Accounting Standard – 34, “Interim Financial Reporting”.

Rödl & Partner
Middle East
Certified Public Accountants



Hikmat Mukhaimer, FCCA (UK)
(License No. 297)



Doha – State of Qatar
April 26, 2017

Dlala Brokerage and Investment Holding Company Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2017

	Notes	31 March 2017 QR'000 (Reviewed)	31 December 2016 QR'000 (Audited)
ASSETS			
Current assets			
Cash and bank balances	3	74,672	117,156
Bank balances – customer funds	4	321,901	307,711
Due from customers		73,431	51,066
Due from Qatar Central Securities Depository (QCSD)		222	28,691
Available-for-sale investments	5	145,767	109,829
Other assets		23,823	31,020
		<u>639,816</u>	<u>645,473</u>
Non-current assets			
Intangible asset	6	104	134
Property and equipment	7	41,399	41,797
		<u>41,503</u>	<u>41,931</u>
TOTAL ASSETS		<u>681,319</u>	<u>687,404</u>
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Due to customers		393,058	397,479
Other liabilities		22,673	26,415
		<u>415,731</u>	<u>423,894</u>
Non-current liability			
Employees' end of service benefits		4,528	4,383
Total liabilities		<u>420,259</u>	<u>428,277</u>
Equity			
Share capital		284,160	284,160
Legal reserve		26,004	26,004
Fair value reserve		(20,145)	(11,973)
Accumulated losses		(29,003)	(39,107)
Equity attributable to owners of the parent		<u>261,016</u>	<u>259,084</u>
Non-controlling interests		44	43
Total equity		<u>261,060</u>	<u>259,127</u>
TOTAL LIABILITIES AND EQUITY		<u>681,319</u>	<u>687,404</u>

H.E Sheikh Abdulrahman Bin Hamad Al-Thani
(Chairman)

Dr. Abdulaziz A. Al-Hammadi
(Chief Executive Officer)

The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.

Dlala Brokerage and Investment Holding Company Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three months ended 31 March 2017

	<i>Note</i>	<i>Three months ended 31 March</i>	
		<i>2017</i> <i>QR'000</i> <i>(Reviewed)</i>	<i>2016</i> <i>QR'000</i> <i>(Reviewed)</i>
Brokerage and commission income		14,698	8,915
Brokerage and commission expense		(4,690)	(2,875)
Net brokerage and commission income		10,008	6,040
Investment income		5,075	5,634
Real estate income		2,201	777
Interest income		382	477
Net operating income		17,666	12,928
Other income		-	358
General and administrative expenses		(7,109)	(5,828)
Depreciation and amortization		(451)	(411)
Profit before impairment losses on available-for-sale investments		10,106	7,047
Impairment losses on available-for-sale investments		-	(6,602)
PROFIT FOR THE PERIOD		10,106	445
Attributable to:			
Owners of the parent		10,104	446
Non-controlling interests		2	(1)
		10,106	445
BASIC AND DILUTED EARNINGS PER SHARE (QR)			
(Attributable to owners of the parent)	8	0.36	0.02

The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.

Dlala Brokerage and Investment Holding Company Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2017

	<i>Three months ended 31 March</i>	
	<i>2017</i>	<i>2016</i>
	<i>QR'000</i>	<i>QR'000</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
Profit for the period	<u>10,106</u>	<u>445</u>
Other comprehensive income:		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Net fair value (loss) gain on available-for-sale investments	(6,282)	3,609
Net gain on disposal of available-for-sale investments reclassified to the interim consolidated statement of income	<u>(1,891)</u>	<u>(3,750)</u>
Net other comprehensive loss to be classified to profit or loss in subsequent periods	(8,173)	(141)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>	-	-
Total other comprehensive loss for the period	<u>(8,173)</u>	<u>(141)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>1,933</u>	<u>304</u>
Attributable to:		
Owners of the parent	1,932	305
Non-controlling interests	<u>1</u>	<u>(1)</u>
	<u>1,933</u>	<u>304</u>

The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.

Dlala Brokerage and Investment Holding Company Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2017

	Note	Three months ended 31 March	
		2017	2016
		QR'000	QR'000
		(Reviewed)	(Reviewed)
OPERATING ACTIVITIES			
Profit for the period		10,106	445
Adjustments for:			
Depreciation and amortization		451	411
Provision for employees' end of service benefits		145	130
Gain on sale of available-for-sale investments		(1,891)	(3,750)
Interest income		(382)	(477)
Impairment losses on available-for-sale investments		-	6,602
Dividend income		(3,184)	(1,884)
Operating profit before working capital changes		5,245	1,477
Working capital changes:			
Customers funds		(14,190)	25,147
Due from customers		(22,365)	(48,468)
Due to QCSD		28,469	(11,842)
Other assets		7,197	4,835
Due to customers		(4,421)	11,968
Other liabilities		(3,742)	(6,191)
Net cash flows used in operating activities		(3,807)	(23,074)
INVESTING ACTIVITIES			
Proceeds from sale of available-for-sale investments		339,488	46,805
Purchase of available-for-sale investments		(381,708)	(247)
Movements in the bank deposits maturing after 90 days		13,000	(6,000)
Purchase of property and equipment		(23)	(737)
Interest received		382	164
Dividend income received		3,184	1,884
Net cash flows (used in) from investing activities		(25,677)	41,869
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENT		(29,484)	18,795
Cash and cash equivalent at 1 January		97,156	132,982
CASH AND CASH EQUIVALENT AT 31 MARCH	3	67,672	151,777

The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.

Dlala Brokerage and Investment Holding Company Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2017

	Attributable to owners of the parent					Non-controlling interests QR'000	Total equity QR'000
	Share capital QR'000	Legal reserve QR'000	Fair value reserve QR'000	Accumulated losses QR'000	Total QR'000		
At 1 January 2016	284,160	25,204	(1,952)	(42,016)	265,396	43	265,439
Profit for the period	-	-	-	446	446	(1)	445
Other comprehensive loss for the period	-	-	(141)	-	(141)	-	(141)
Total comprehensive income for the period	-	-	(141)	446	305	(1)	304
At 31 March 2016 (Reviewed)	<u>284,160</u>	<u>25,204</u>	<u>(2,093)</u>	<u>(41,570)</u>	<u>265,701</u>	<u>42</u>	<u>265,743</u>
At 1 January 2017	284,160	26,004	(11,973)	(39,107)	259,084	43	259,127
Profit for the period	-	-	-	10,104	10,104	2	10,106
Other comprehensive loss for the period	-	-	(8,172)	-	(8,172)	(1)	(8,173)
Total comprehensive income for the period	-	-	(8,172)	10,104	1,932	1	1,933
At 31 March 2017 (Reviewed)	<u>284,160</u>	<u>26,004</u>	<u>(20,145)</u>	<u>(29,003)</u>	<u>261,016</u>	<u>44</u>	<u>261,060</u>

The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.

Dlala Brokerage and Investment Holding Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017

1 CORPORATE INFORMATION

Dlala Brokerage and Investment Holding Company Q.P.S.C. (the "Company") is a Qatari Public Shareholding Company (Q.P.S.C.) incorporated in the State of Qatar on 24 May 2005 under Commercial Registration No. 30670. The Company is listed in the Qatar Stock Exchange and is governed by the provisions of the Qatar Commercial Companies Law No. 11 of 2015, and the regulations of Qatar Financial Markets Authority and Qatar Stock Exchange. The Company's registered office is at P.O. Box 24571, Doha, State of Qatar.

The Company, together with its subsidiaries (together referred to as the "Group"), is engaged in brokerage activities at the Qatar Stock Exchange, real estate and in other investment activities.

The interim condensed consolidated financial statements of the Group for the three months period ended 31 March 2017 were authorised for issue by the Board of Directors on 26 April 2017.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements for the three months ended 31 March 2017 have been prepared in accordance with International Financial Reporting Standard (IAS) 34 "Interim Financial Reporting" ("IAS 34").

The interim condensed consolidated financial statements are prepared in Qatar Riyals, which is the Group's functional and presentation currency, and all values are rounded to the nearest thousands (QR'000) except when otherwise indicated.

The interim condensed consolidated financial statements do not include all the 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 and for the year ended 31 December 2016. In addition, the results for the three months ended 31 March 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

2.2 Basis of consolidation

The interim condensed consolidated financial statements comprise the interim condensed financial statements of Dlala Brokerage and Investment Holding Company Q.P.S.C (the "Company") and its subsidiaries (together referred to as the "Group"). The principal subsidiaries of the Group are as follows:

<i>Entity Name</i>	<i>Country of incorporation</i>	<i>Ownership interest 31 March 2017</i>	<i>Ownership interest 31 December 2016</i>
Dlala Brokerage Company W.L.L.	Qatar	99.98%	99.98%
Dlala Islamic Brokerage Company W.L.L.	Qatar	99.98%	99.98%
Dlala Real Estate W.L.L.	Qatar	100%	100%
Dlala Investment Company L.L.C. (Dormant)	Qatar	99.90%	99.90%
Dlala International L.L.C. (Dormant)	Qatar	99.50%	99.50%
Dlala Information Technology W.L.L. (Dormant)	Qatar	100%	100%

At reporting date, the management has taken required approvals and initiatives to liquidate Dlala Investment Company L.L.C and Dlala International L.L.C which were in dormant status since incorporation.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 New and amended standards and interpretations adopted by the Group

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 financial statements for the year ended 31 December 2016, except for the adoption of new standards and interpretations effective as of 1 January 2017.

The following amended accounting standards became effective in 2017 and have been adopted by the Group in preparation of these interim condensed consolidated financial statements as applicable. Whilst they did not have any material impact on these interim condensed consolidated financial statements, they may require additional disclosures in the annual consolidated financial statements for the year ending 31 December 2017:

<i>Topic</i>	<i>Effective date</i>
Amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to IAS 7 - Disclosure Initiative	1 January 2017

2.4 Standards and amendments to the standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's interim condensed consolidated financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

<i>Topic</i>	<i>Effective date</i>
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 16 Leases	1 January 2019

The Group is assessing the impact of implementation of these standards

3 CASH AND CASH EQUIVALENT

Cash and cash equivalent included in the interim consolidated statement of cash flows include the following amounts:

	<i>31 March 2017 (Reviewed) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>	<i>31 March 2016 (Reviewed) QR'000</i>
Bank balances	74,672	117,156	172,777
Deposits maturing after 90 days	(7,000)	(20,000)	(21,000)
	<u>67,672</u>	<u>97,156</u>	<u>151,777</u>

Bank balances include short term deposits made for varying periods of between one day and three months, depending on the cash requirements of the Group, and earn interest at the respective short term deposit rates.

Dlala Brokerage and Investment Holding Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017

4 BANK BALANCES – CUSTOMER FUNDS

Bank balances-customer funds represent bank balances for 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 the transactions with the settlement authority.

5 FINANCIAL INVESTMENTS – AVAILABLE-FOR-SALE

	<i>31 March 2017</i> <i>(Reviewed)</i>			<i>31 December 2016</i> <i>(Audited)</i>		
	<i>Listed</i> <i>QR'000</i>	<i>Unlisted</i> <i>QR'000</i>	<i>Total</i> <i>QR'000</i>	<i>Listed</i> <i>QR'000</i>	<i>Unlisted</i> <i>QR'000</i>	<i>Total</i> <i>QR'000</i>
Shares	<u>143,344</u>	<u>2,423</u>	<u>145,767</u>	<u>107,525</u>	<u>2,304</u>	<u>109,829</u>

6 INTANGIBLE ASSET

	<i>31</i> <i>March</i> <i>2017</i> <i>QR'000</i> <i>(Reviewed)</i>	<i>31</i> <i>December</i> <i>2016</i> <i>QR'000</i> <i>(Audited)</i>
Cost:		
Balance at 1 January	376	376
Additions during the period/year	-	-
Balance at the end of the period/year	<u>376</u>	<u>376</u>
Amortization:		
Balance at 1 January	242	116
Amortization during the period/year	<u>30</u>	<u>126</u>
Balance at the end of the period/year	<u>272</u>	<u>242</u>
Net carrying amount at the end of the period/year	<u>104</u>	<u>134</u>

Amortization of intangible asset during the period/year is included under the depreciation and amortization in the interim consolidated statement of income.

7 PROPERTY AND EQUIPMENT

	<i>31 March</i> <i>2017</i> <i>QR'000</i> <i>(Reviewed)</i>	<i>31 December</i> <i>2016</i> <i>QR'000</i> <i>(Audited)</i>
Cost:		
Balance at the beginning of the period/year	88,669	87,558
Additions during the period/year	<u>23</u>	<u>1,111</u>
Balance at the end of the period/year	<u>88,692</u>	<u>88,669</u>
Accumulated depreciation:		
Balance at the beginning of the period/year	46,872	45,274
Depreciation for the period/year	<u>421</u>	<u>1,598</u>
Balance at the end of the period/year	<u>47,293</u>	<u>46,872</u>
Net carrying amount at the end of the period/year	<u>41,399</u>	<u>41,797</u>

Dlala Brokerage and Investment Holding Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017

8 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the period.

	<i>Three months ended 31 March</i>	
	<i>2017</i>	<i>2016</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
Profit for the period attributable to owners of the parent (QR'000)	<u>10,104</u>	<u>446</u>
Weighted average number of shares outstanding during the period (in thousands)	<u>28,416</u>	<u>28,416</u>
Basic and diluted earnings per share (QR)	<u>0.36</u>	<u>0.02</u>

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.

9 COMMITMENTS AND CONTINGENCIES

The Group had the following contingent liabilities from which it is anticipated that no material liabilities will arise.

	<i>31 March</i>	<i>31 December</i>
	<i>2017</i>	<i>2016</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>QR'000</i>	<i>QR'000</i>
Letters of guarantee	<u>225,000</u>	<u>225,000</u>

Letters of guarantee represent the financial guarantees issued by the banks on behalf of the Group to Qatar Central Securities Depository in the ordinary course of business and will mature within twelve months from the reporting date.

Operating lease commitments

Future minimum rental payable under non-cancellable operating leases at the reporting date are as follows:

	<i>31 March</i>	<i>31 December</i>
	<i>2017</i>	<i>2016</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>QR'000</i>	<i>QR'000</i>
Within one year	<u>120</u>	<u>298</u>
After one year but not more than three years	<u>-</u>	<u>-</u>
	<u>120</u>	<u>298</u>

10 RELATED PARTY DISCLOSURES

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Dlala Brokerage and Investment Holding Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017

10 RELATED PARTY DISCLOSURES (Continued)

Transactions with related parties included in the interim consolidated statement of income are as follows:

	<i>Three months ended 31 March</i>	
	<i>2017</i> <i>QR'000</i> <i>(Reviewed)</i>	<i>2016</i> <i>QR'000</i> <i>(Reviewed)</i>
Brokerage and commission income (Key management personnel & their close family members)	<u>957</u>	<u>315</u>
Other related parties	<u>1,326</u>	<u>-</u>

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

	<i>Receivables</i>		<i>Payables</i>	
	<i>31 March</i> <i>2017</i> <i>(Reviewed)</i> <i>QR'000</i>	<i>31 December</i> <i>2016</i> <i>(Audited)</i> <i>QR'000</i>	<i>31 March</i> <i>2017</i> <i>(Reviewed)</i> <i>QR'000</i>	<i>31 December</i> <i>2016</i> <i>(Audited)</i> <i>QR'000</i>
Key management personnel	<u>3,427</u>	<u>10,431</u>	<u>185</u>	<u>185</u>
Other related parties	<u>35,645</u>	<u>28,194</u>	<u>-</u>	<u>-</u>

The above receivable and payable balances from and to related parties are included under due from and due to customers respectively.

Compensation of key management personnel

The remuneration of key management personnel during the period was as follows:

	<i>Three months ended 31 March</i>	
	<i>2017</i> <i>QR'000</i> <i>(Reviewed)</i>	<i>2016</i> <i>QR'000</i> <i>(Reviewed)</i>
Salaries and short-term benefits	<u>767</u>	<u>554</u>
Retirement benefits	<u>35</u>	<u>18</u>
	<u>802</u>	<u>572</u>

11 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:

- Stock Broking – this segment includes financial services provided to customers as a stock broker;
- Real Estate – this segment includes providing property management, marketing and sales services for real estate clients;
- IT and International – this segment includes IT management services and other overseas financial services.
- 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.

Dlala Brokerage and Investment Holding Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017

11 SEGMENT INFORMATION (continued)

The following table presents revenue and profit information regarding the Group's operating segments for the three months ended 31 March 2017 and 2016, respectively

<i>Three months ended 31 March 2017 (Reviewed)</i>	<i>Stock Broking QR'000</i>	<i>Real Estate QR'000</i>	<i>IT and International QR'000</i>	<i>Others QR'000</i>	<i>Elimination QR'000</i>	<i>Total QR'000</i>
Net brokerage and commission income	10,254	2,174	-	-	(246)	12,182
Other revenues (*)	3,752	880	-	1,685	(833)	5,484
Segment revenue	14,006	3,054	-	1,685	(1,079)	17,666
Segment profit/(loss)	7,566	1,416	(6)	1,376	(246)	10,106
Depreciation and amortization	42	187	-	222	-	451

<i>Three months ended 31 March 2016 (Reviewed)</i>	<i>Stock Broking QR'000</i>	<i>Real Estate QR'000</i>	<i>IT and Internation al QR'000</i>	<i>Others QR'000</i>	<i>Elimination QR'000</i>	<i>Total QR'000</i>
Net brokerage and commission income	6,040	777	-	-	-	6,817
Other revenues (*)	2,215	1,050	-	4,037	(833)	6,469
Segment revenue	8,255	1,827	-	4,037	(833)	13,286
Segment profit (loss)	(3,114)	697	(15)	2,877	-	445
Depreciation	37	188	-	186	-	411

*Other revenues include investment income, real estate income and other income.

The following table presents the segment assets and liabilities:

<i>At 31 March 2017 (Reviewed)</i>	<i>Stock Broking QR'000</i>	<i>Real Estate QR'000</i>	<i>IT and International QR'000</i>	<i>Others QR'000</i>	<i>Elimination QR'000</i>	<i>Total QR'000</i>
Segment assets	540,853	77,964	16,011	309,305	(262,814)	681,319
Segment liabilities	405,553	4,008	124	39,277	(28,703)	420,259
<i>At 31 December 2016 (Audited)</i>	<i>Stock Broking QR'000</i>	<i>Real Estate QR'000</i>	<i>IT and International QR'000</i>	<i>Others QR'000</i>	<i>Elimination QR'000</i>	<i>Total QR'000</i>
Segment assets	535,949	80,416	16,017	315,843	(260,821)	687,404
Segment liabilities	400,678	7,876	124	46,306	(26,707)	428,277

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

12 CONTINGENT ASSET

During the year ended 31 December 2016, the Group received initial verdict from the Court of Qatar for the claim made against an ex-employee for losses suffered by the Group during the year 2013 due to his misconduct of a client's share trading account. As per the initial judgment, the above mentioned ex-employee was held responsible to settle the full amount of losses incurred by the Group amounting to QR 19.5 million. The Directors are of the opinion that result of the recent court verdict has given strong indication that the claim is probable to be met in full in the near future.

13 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of bank balances, due from customers, due from QCSD, available-for-sale investments and other receivables. Financial liabilities consist of due to customers and other payables.

The fair values of financial instruments are not materially different from their carrying values.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments 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

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 March 2017, the following table shows an analysis of financial instruments recorded at fair value by level of fair value hierarchy:

	<i>Total</i> <i>QR'000</i>	<i>Level 1</i> <i>QR'000</i>	<i>Level 2</i> <i>QR'000</i>	<i>Level 3</i> <i>QR'000</i>
<i>At 31 March 2017 (Reviewed)</i>				
Available-for-sale investments	<u>143,344</u>	<u>143,344</u>	<u>-</u>	<u>-</u>
	<i>Total</i> <i>QR'000</i>	<i>Level 1</i> <i>QR'000</i>	<i>Level 2</i> <i>QR'000</i>	<i>Level 3</i> <i>QR'000</i>
<i>At 31 December 2016 (Audited)</i>				
Available-for-sale investments	<u>107,525</u>	<u>107,525</u>	<u>-</u>	<u>-</u>

During the period ended 31 March 2017, 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 (2016: Nil).