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

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 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 statements of Dlala Brokerage and Investment Holding Company Q.P.S.C. (the "Company") and its subsidiaries (together referred to as the "Group") as at 30 September 2017, comprising of the interim consolidated statement of financial position as at 30 September 2017 and the related interim consolidated statements of income and comprehensive income for the three-months and nine-months period ended 30 September 2017, the related interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the nine-months period then ended, and the related explanatory information. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard 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. Consequently, it 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.

Rödl & Partner
Certified Public Accountants

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

QFMA Registration Auditor's No. 120151

Doha – Qatar
October 17, 2017

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2017

	Notes	*30 September 2017 QR'000 (Reviewed)*	*31 December 2016 QR'000 (Audited)*
ASSETS			
Current assets			
Cash and bank balances	3	**79,598**	117,156
Bank balances – customer funds	4	**185,687**	307,711
Due from customers	5	**163,631**	51,563
Due from Qatar Central Securities Depository (QCSD)		**-**	28,691
Other assets		**21,586**	30,523
Total current assets		**450,502**	535,644
Non-current assets			
Investment securities	6	**124,855**	109,829
Intangible asset	7	**40**	134
Property and equipment	8	**40,587**	41,797
Total non-current assets		**165,482**	151,760
TOTAL ASSETS		**615,984**	687,404
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Due to customers		**309,907**	397,479
Due to Qatar Central Securities Depository (QCSD)		**40,263**	-
Other liabilities		**23,147**	26,415
Total current liabilities		**373,317**	423,894
Non-current liability			
Employees' end of service benefits		**4,740**	4,383
Total liabilities		**378,057**	428,277
Equity			
Share capital	9	**284,160**	284,160
Legal reserve		**26,004**	26,004
Fair value reserve		**(40,672)**	(11,973)
Accumulated losses		**(31,607)**	(39,107)
Equity attributable to owners of the parent		**237,885**	259,084
Non-controlling interests		**42**	43
Total equity		**237,927**	259,127
TOTAL LIABILITIES AND EQUITY		**615,984**	687,404

Jaber Bin Hajjaj Al Shahwani
(Vice Chairman)

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

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

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the nine months ended 30 September 2017

	Notes	*Three months ended*		*Nine months ended*	
		30 September 2017 QR'000 (Reviewed)	*30 September 2016 QR'000 (Reviewed)*	***30 September 2017 QR'000 (Reviewed)***	*30 September 2016 QR'000 (Reviewed)*
Brokerage commission income		**14,024**	6,277	**44,097**	22,739
Brokerage commission expense		**(4,690)**	(2,020)	**(14,459)**	(7,414)
Net brokerage commission income		**9,334**	4,257	**29,638**	15,325
Net investment loss		**-**	(1,342)	**-**	(887)
Real estate income		**829**	72	**4,199**	3,897
Interest income		**440**	511	**1,185**	1,512
Net operating income		**10,603**	3,498	**35,022**	19,847
Other income		**123**	-	**3,871**	2,093
General and administrative expenses		**(6,986)**	(5,820)	**(21,412)**	(17,923)
Depreciation and amortization		**(450)**	(427)	**(1,351)**	(1,273)
Profit (Loss) before impairment losses on investment securities		**3,290**	(2,749)	**16,130**	2,744
Impairment losses on investment securities		**-**	4,236	**-**	(4)
Profit for the period		**3,290**	1,487	**16,130**	2,740
Attributable to:					
Owners of the parent		**3,289**	1,487	**16,127**	2,741
Non-controlling interests		**1**	-	**3**	(1)
		3,290	1,487	**16,130**	2,740
BASIC AND DILUTED EARNINGS PER SHARE (QR)	10	**0.12**	0.052	**0.57**	0.096

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

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2017

	Three months ended		*Nine months ended*	
	30 September 2017 QR'000 (Reviewed)	*30 September 2016 QR'000 (Reviewed)*	***30 September 2017 QR'000 (Reviewed)***	*30 September 2016 QR'000 (Reviewed)*
Profit for the period	**3,290**	1,487	**16,130**	2,740
Other comprehensive income:				
Items to be reclassified to profit or loss in subsequent periods:				
Net fair value loss on investment securities	-	(2,210)	-	(5,799)
Loss on sale of investment securities reclassified to the interim consolidated statement of income	-	1,342	-	2,956
Impairment losses on investment securities reclassified to the interim consolidated statement of income	-	(4,236)	-	4
	-	(5,104)	-	(2,839)
Items not to be reclassified to profit or loss in subsequent periods:				
Net fair value loss on investment securities	**(9,273)**	-	**(36,278)**	-
	(9,273)	-	**(36,278)**	-
Total other comprehensive loss for the period	**(9,273)**	(5,104)	**(36,278)**	(2,839)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(5,983)**	(3,617)	**(20,148)**	(99)
Attributable to:				
Owners of the parent	**(5,984)**	(3,617)	**(20,147)**	(98)
Non-controlling interests	**1**	-	**(1)**	(1)
	(5,983)	(3,617)	**(20,148)**	(99)

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

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2017

	Note	*Nine months ended 30 September*	
		2017	*2016*
		QR'000	*QR'000*
		(Reviewed)	*(Reviewed)*
OPERATING ACTIVITIES			
Profit for the period		**16,130**	2,740
Adjustments for:			
Impairment loss on available-for-sale investments		**-**	4
Depreciation and amortization		**1,351**	1,273
Provision for employees' end of service benefits		**425**	338
Allowance for impairment of due from customers		**143**	-
Net loss on disposal of investment securities		**-**	2,956
Interest income		**(1,185)**	(1,512)
Dividend income		**(3,574)**	(2,069)
Operating profit before working capital changes		**13,290**	3,730
Movement in working capital:			
Bank balances - customer funds		**122,024**	6,602
Due from customers		**(112,647)**	(18,707)
Due from/to QCSD		**68,954**	(24,345)
Other assets		**9,227**	3,008
Due to customers		**(87,572)**	46,099
Other liabilities		**(3,268)**	(17,300)
Cash flows from (used) in operations		**10,008**	(913)
Employees' end of service benefits paid		**(68)**	(69)
Net cash flows from (used in) operating activities		**9,940**	(982)
INVESTING ACTIVITIES			
Proceeds from disposal of investment securities		**454,830**	162,380
Purchase of investment securities		**(506,750)**	(199,997)
Purchase of property and equipment		**(47)**	(876)
Interest income		**895**	1,315
Dividend received		**3,574**	2,069
Movements in the bank deposits maturing after 90 days		**5,500**	7,914
Net cash flows used in investing activities		**(41,998)**	(27,195)
FINANCING ACTIVITIES			
Contribution by non-controlling interests		**-**	2
Net cash flows from financing activities		**-**	2
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(32,058)**	(28,175)
Cash and cash equivalents at 1 January		**97,156**	132,982
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	3	**65,098**	104,807

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2017

	Attributable to owners of the parent							
	Share capital QR'000	*Legal Reserve QR'000*	*Fair value reserve QR'000*	*FVTOCI reserve QR'000*	*Accumulated Losses QR'000*	*Total QR'000*	*Non-controlling interests QR'000*	*Total equity QR'000*
At 1 January 2016	284,160	25,204	(1,952)	-	(42,016)	265,396	43	265,439
Profit for the period	-	-	-	-	2,741	2,741	(1)	2,740
Other comprehensive loss for the period	-	-	(2,839)	-	-	(2,839)	-	(2,839)
Total comprehensive loss for the period	-	-	(2,839)	-	2,741	(98)	(1)	(99)
Contribution	-	-	-	-	-	-	2	2
At 30 September 2016 (*Reviewed*)	284,160	25,204	(4,791)	-	(39,275)	265,298	44	265,342
At 1 January 2017 –unadjusted	284,160	26,004	(11,973)	-	(39,107)	259,084	43	259,127
Adjustment on adoption of IFRS 9 (Note 13)	-	-	11,973	(12,589)	(436)	(1,052)	-	(1,052)
Adjusted total equity at 1 January 2017	284,160	26,004	-	(12,589)	(39,543)	258,032	43	258,075
Profit for the period	-	-	-	-	16,127	16,127	3	16,130
Reclassification of losses on sale of investment securities	-	-	-	8,191	(8,191)	-	-	-
Other comprehensive loss for the period	-	-	-	(36,274)	-	(36,274)	(4)	(36,278)
Total comprehensive loss for the period	-	-	-	(28,083)	7,936	(20,147)	(1)	(20,148)
At 30 September 2017 (*Reviewed*)	**284,160**	**26,004**	**-**	**(40,672)**	**(31,607)**	**237,885**	**42**	**237,927**

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

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 nine months period ended 30 September 2017 were authorised for issue by the Board of Directors on 17 October 2017.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements for the nine months ended 30 September 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 for the year ended 31 December 2016. In addition, the results for the nine months ended 30 September 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:

Entity Name	*Country of incorporation*	*Ownership interest 30 September 2017*	*Ownership interest 31 December 2016*
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. (liquidated)	Qatar	-	99.90%
Dlala International L.L.C. (liquidated)	Qatar	-	99.50%
Dlala Information Technology W.L.L. (dormant)	Qatar	100%	100%

During the period ended 30 September 2017, the management decided to liquidate Dlala Investment Company L.L.C and Dlala International L.L.C which were in dormant status since incorporation and the liquidation process was completed by the reporting date. The profit on liquidation of these subsidiaries which are included in the other income for the period, is calculated as follows:

	QR'000
Disposal proceeds	1,117
Net assets at the date of liquidation	1,116
Profit on liquidation of subsidiaries	1

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

2.3 Significant accounting policies

The interim condensed consolidated financial statements have been prepared under historical cost convention except for financial instruments measured at fair value.

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 2016, except for except for the early adoption of IFRS 9 – Financial Instruments standards described in this note and note 13 to interim consolidated financial statements.

Early adopted IFRS 9 Financial Instruments

The Group has early adopted IFRS 9 Financial Instruments issued in July 2014 with a date of initial application of 1 January 2017. The requirements of IFRS 9 represent a significant change from IAS 39 Financial Instruments: Recognition and Measurement. The new standard brings fundamental changes to the accounting for financial assets and to certain aspects of the accounting for financial liabilities. The impacts of the change in accounting policy have been disclosed in Note 13. The accounting policies relating to IFRS 9 and those accounting policies adopted before implementation of IFRS 9 (1 January 2017) are disclosed below:

i) Accounting policies under IFRS 9

Investments and other financial assets

a) Classification

From 1 January 2017, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or thorough profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets at fair value, gains and losses will be either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on whether the Group has made and irrecoverable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirely when determining whether their cash flows are solely payment of principle and interest.

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

2.3 Significant accounting policies (Continued)
i) Accounting policies under IFRS 9 (Continued)

Debt instruments
Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories in to which the Group classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principle and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial asset is included in the interim consolidated statement of income using the effective interest rate method.

- Fair value through other comprehensive income (FVTOCI): Assets that are held for collection of contractual cash flow and for selling the financial assets, where the assets cash flows represent solely payments of principle and interests, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the interim consolidated statement of income within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in the interest income.

Equity instruments

The Group subsequently measured all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investment continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.
Changes in the fair value of financial assets at fair value through profit or loss are recognized in other gain/(losses) in the interim consolidated statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Foreign exchange gains and losses
The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically,
• for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item;
• for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the fair value OCI reserve.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses (ECL) on financial assets. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.
The Group always recognises lifetime ECL for amounts due from customers. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

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

2.3 Significant accounting policies (Continued)

i) Accounting policies under IFRS 9 (Continued)

Impairment of financial assets (Continued)

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to twelve months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.
Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, twelve months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within twelve months after the reporting date.

Definition of default
The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.
• when there is a breach of financial covenants by the counterparty; or
• information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).
Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 120 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off policy
The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 120 days past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit-impaired financial assets
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:
a) significant financial difficulty of the debtor;
b) a breach of contract, such as a default or past due event;
c) it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
d) the disappearance of an active market for that financial asset because of financial difficulties.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

2.3 Significant accounting policies (Continued)

i) Accounting policies under IFRS 9 (Continued)

De-recognition of financial assets (Continued)

On de-recognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In contrast, on de-recognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity instruments
Classification as debt or equity
Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.
Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss (FVTPL).
However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Commitments to provide a loan at a below-market interest rate
Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:
•the amount of the loss allowance determined in accordance with IFRS 9 ; and
•the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

ii) Accounting policies for financial assets adopted before 1 January 2017

Due from customers
Amount due from customers are carried at original invoice amount less any allowance for non-collectability of receivables. An allowance for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the customer) that the Group will not be able to collect part or all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired receivables are derecognized when they are assessed as uncollectible.

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

2.3 Significant accounting policies

ii) Accounting policies for financial assets adopted before 1 January 2017 (continued)

Financial investments – available-for-sale
Available-for-sale investments are non-derivatives that are neither designated in this category nor classified in any other categories. Available for sale financial assets are recognized initially at fair value plus transaction costs. After initial recognition, available for sale financial assets are subsequently re-measured at fair value, with any resultant gain or loss directly recognised as a separate component of equity under other comprehensive income until the investment is sold, collected or the investment is determined to be impaired, at which time the cumulative gain or less previously reported in equity is included in the interim consolidated statement of income for that year. Dividends earned on investments are recognised in the interim consolidated statement of income as "dividend income" when the right to receive dividend has been established. All regular way purchases and sales of investments are recognised on the trade date when the Group becomes or commit to be a party to contractual provisions of the instrument.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the end of the reporting period. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to current market value of another instrument which is substantially the same, discounted cash flow analysis or other valuation models. For investment in funds, fair value is determined by reference to net asset values provided by the fund administrators.

If an available-for-sale investment is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in the interim consolidated statement of income is transferred from equity to interim consolidated statement of income. Impairment losses on equity instruments recognized in the interim consolidated statement of income are not subsequently reversed. Reversals of impairment losses on debt instruments are done through the interim consolidated statement of income; if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognized in the interim consolidated statement of income.

For listed equity investments, a decline in the market value by 30% from cost or more, or for a continuous period of 12 months or more, are considered to be indicators of impairment.

Impairment and uncollectibility of financial assets
An assessment is made at the end of each reporting period to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognised in the interim consolidated statement of income. Impairment is determined as follows:

a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the interim consolidated statement of income;
b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

Derecognition of financial assets and liabilities

i) Financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired;
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

2.3 Significant accounting policies

ii) Accounting policies for financial assets adopted before 1 January 2017 (continued)

Derecognition of financial assets and liabilities (continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset.
In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

ii) Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the interim consolidated statement of income.

2.4 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:

Topic	*Effective date*
Amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to IAS 7 - Disclosure Initiative	1 January 2017
Amendments to IFRS 12 Disclosure of Interests in Other Entities	1 January 2017

2.5 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.

Topic	*Effective date*
IFRS 15 Revenue from Contracts with Customers	1 January 2018
Annual Improvements (2014-2016 Cycle) to IFRS 1 & IAS 28	1 January 2018
Amendments to IAS 40 - Transfer of investment properties	1 January 2018
IFRIC -22 Foreign currency transactions and advance consideration	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 balances:

	30 September 2017 QR'000 (Reviewed)	*31 December 2016 QR'000 (Audited)*	*30 September 2016 QR'000 (Reviewed)*
Cash and bank balances	**79,598**	117,156	111,893
Deposits maturing after 90 days	**(14,500)**	(20,000)	(7,086)
Cash and cash equivalent	**65,098**	97,156	104,807

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

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 purchase of shares. At the settlement date of these transactions, the Group transfers due amounts from these customer funds to the settlement authority.

5 DUE FROM CUSTOMERS

	30 September 2017 QR'000 (Reviewed)	*31 December 2016 QR'000 (Audited)*
Amounts due from customers	**163,774**	51,563
Allowance for impairment of due from customers	**(143)**	-
	163,631	51,563

Credit risk on accounts receivables

The group is exposed to credit risk on due from customers if counterparties fail to make payments as they fall due in respect of:

a) Trade receivable arising from customers on share trading transactions as invoices fall due 3 days after being raised (T+3 basis).
b) Trade receivables other than those arising from share trading transactions, as invoices fall due 60 days after being raised.

The following credit risk modelling applies for financial assets originated from 1 January 2017:

The group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

a) External credit rating (as far as available)
b) Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations;
c) Actual or expected significant changes in the operating results of the customer;
d) Significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customers in the group and changes in the operating results of the customer.
e) Significant changes in credit risk on other financial instruments of the same customer.

5 DUE FROM CUSTOMERS (continued)

Credit risk on accounts receivables (continued)
Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 60 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 120 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a loan or receivable for write of when a debtor fails to make contractual payments greater than 120 days past due. Where loan or receivable have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, those are recognized in interim consolidated statement of income.

Simplified approach;
For accounts receivables, Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for those receivables. At reporting date the Group due from customers includes QR 163,475 thousand receivable on share trading transactions which are settled within 3 days from the date of transaction. Based on the past history of payment patterns of these customers the Group management do not expect any credit losses on these receivables in future periods. Therefore no allowance has been made against these customers at reporting date.

The following table describes the risk profile of due from customers based on the Group provision matrix.

	Total	Performing		Doubtful	Credit impaired	Default
		Not past due	< 30 days	30-90 days	91-120 days	>120 days
At 30 September 2017 (Reviewed)	**163,774**	**163,522**	-	-	**218**	**34**
Expected credit loss %		**0%**		-	**50%**	**100%**
Impairment allowance	**(143)**	-	-	-	**(109)**	**(34)**
Net	**163,631**	**163,522**	-	-	**109**	-
31 December 2016 (Audited)	51,563	51,127	-	-	-	436

Unimpaired amounts due from customer balances are expected to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables.

The loss allowance provision as at 31 December 2016 reconciles to the opening loss allowance for that provision as follows:

	2017 **QR'000** *(Reviewed)*	*2016* QR'000 *(Audited)*
Balance at 1 January	-	4,030
Adjustment on adoption of IFRS 9 (Note 13)	**436**	-
Opening allowance at 1 January	**436**	4,030
Provided during the period/year	**143**	-
Written off against due from customers	**(470)**	(4,030)
Balance at 30 September/ 31 December	**109**	-

5 DUE FROM CUSTOMERS (continued)

Credit risk on accounts receivables (continued)

The Group also has receivable from Qatar Central Securities Depository (QCSD) on share trading transactions which is settled on due dates (3 days from the date of transaction, T+3 basis). Group applies simple approach in assessing the expected credit losses from QCSD and based on past payment history, the management believes that these receivables has no risk in default.

6 INVESTMENT SECURITIES

	30 September 2017 (Reviewed)			*31 December 2016 (Audited)*		
	Listed QR'000	***Unlisted QR'000***	***Total QR'000***	*Listed QR'000*	*Unlisted QR'000*	*Total QR'000*
Shares	**123,168**	**1,687**	**124,855**	107,525	2,304	109,829

Notes:

i) Investment securities represent investments in quoted and unquoted shares carried at fair value through other comprehensive income (FVTOCI).

ii) Upon disposal of these equity investments, any balances within the FVTOCI reserve for these equity investments is reclassified to retained earnings and is not reclassified to profit or loss.

iii) The explanation regarding the change in the accounting policy have been disclosed in Note 13.

iv) The movements in these investment securities during the period/year are as follow:

	30 September 2017 QR'000 (Reviewed)	*31 December 2016 QR'000 (Audited)*
Balance at the beginning of the period/year	**109,829**	84,731
Adjustment on adoption of IFRS 9 (Note 13)	**(616)**	-
Additions	**506,750**	390,120
Disposals	**(454,830)**	(355,001)
Net changes in fair value	**(36,278)**	(10,021)
Balance at the end of the period/year	**124,855**	109,829

The investment securities were classified as current assets at 31 December 2016, which was reclassified as non-current assets at current reporting date as a result of early adoption of IFRS 9. The comparative amounts were reclassified accordingly.

7 INTANGIBLE ASSET

	30 September 2017 QR'000 (Reviewed)	*31 December 2016 QR'000 (Audited)*
Cost:		
At the beginning of the period/year	**376**	376
At the end of the period/year	**376**	376
Amortization:		
At the beginning of the period/year	**242**	116
Amortization for the period/year	**94**	126
At the end of the period/year	**336**	242
Net carrying amount at the end of the period/year	**40**	134

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

8 PROPERTY AND EQUIPMENT

	30 September 2017 QR'000 (Reviewed)	*31 December 2016 QR'000 (Audited)*
Cost:		
At the beginning of the period/year	**88,669**	87,558
Additions during the period/year	**47**	1,111
At the end of the period/year	**88,716**	88,669
Accumulated depreciation:		
At the beginning of the period/year	**46,872**	45,274
Depreciation for the period/year	**1,257**	1,598
At the end of the period/year	**48,129**	46,872
Net carrying amount at the end of the period/year	**40,587**	41,797

9 SHARE CAPITAL

	30 September 2017 QR'000 (Reviewed)	*31 December 2016 QR'000 (Audited)*
Authorised, issued and fully paid:		
28,416,000 shares of QR10 each	**284,160**	284,160

10 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.

	Three months ended		*Nine months ended*	
	30 September 2017 (Reviewed)	*30 September 2016 (Reviewed)*	***30 September 2017 (Reviewed)***	*30 September 2016 (Reviewed)*
Profit for the period attributable to owners of the parent (QR'000)	**3,289**	1,487	**16,127**	2,741
Weighted average number of shares outstanding during the period (in thousands)	**28,416**	28,416	**28,416**	28,416
Basic and diluted earnings per share (QR)	**0.12**	0.052	**0.57**	0.096

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.

The Group adopted IFRS -9 Financial instruments with effect from 1 January 2017, application of the new standard has led to changes in Group's accounting policies and has impacted previously reported earnings. Hence earnings per share reported for the current periods are not comparable with reported earnings per share of previous quarters/ periods.

11 COMMITMENTS AND CONTINGENCIES

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

	30 September 2017 QR'000 (Reviewed)	*31 December 2016 QR'000 (Audited)*
Letters of guarantee	**225,000**	225,000

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 lease for the period/year are as follows:

	30 September 2017 QR'000 (Reviewed)	*31 December 2016 QR'000 (Audited)*
Within one year	-	298
After one year but not more than three years	-	-
	-	298

12 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.

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

	Three months ended		*Nine months ended*	
	30 September 2017 QR'000 (Reviewed)	*30 September 2016 QR'000 (Reviewed)*	***30 September 2017 QR'000 (Reviewed)***	*30 September 2016 QR'000 (Reviewed)*
Brokerage and commission income				
Key management and their close family members)	**1,382**	44	**2,584**	824
Other related parties	**3,129**	404	**4,929**	459

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

	30 September 2017		*31 December 2016*	
	Receivables QR'000 (Reviewed)	***Payables QR'000 (Reviewed)***	*Receivables QR'000 (Audited)*	*Payables QR'000 (Audited)*
Key management and their close family members	**14,250**	**1,183**	10,431	185
Other related parties	**43,162**	**-**	28,194	-
	57,412	**1,183**	38,625	185

The above receivables and payables from/to key management personnel are included under due from customers and due to customer balances respectively.

Terms and conditions of transactions with related parties
The transactions with the related parties are made at normal market prices. Outstanding balances at the end of the period/year are unsecured, interest free and the settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

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

	Three months ended		*Nine months ended*	
	30 September 2017 QR'000 (Reviewed)	*30 September 2016 QR'000 (Reviewed)*	***30 September 2017 QR'000 (Reviewed)***	*30 September 2016 QR'000 (Reviewed)*
Salaries, short-term benefits and commission	**722**	559	**2,102**	1,644
Pension benefits	**34**	29	**102**	76
	756	588	**2,204**	1,720

13 CHANGES IN ACCOUNTING POLICIES

As explained in accounting policies (Note 2.3), the Group has early adopted IFRS 9 as issued in July 2014, which resulted in changes in accounting policies, adjustments and classifications to the amounts recognized in the financial statements. In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated.

The accounting policies were changed to comply with IFRS 9 as issued by the IASB in July 2014. IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities; de-recognition of financial instruments; impairment of financial assets and hedge accounting. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 Financial Instruments: Disclosures.

Classification and Measurement of Financial Assets

The date of initial application (i.e. the date on which the Group has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 1 January 2017. Accordingly, the Group has applied the requirements of IFRS 9 to instruments that have not been derecognised as at 1 January 2017 and has not applied the requirements to instruments that have already been derecognised as at 1 January 2017. Comparative amounts in relation to instruments that have not been derecognised as at 1 January 2017 are not restated. The Group has adopted modified retrospective method as per exemption under IFRS 9 paragraph 7.2.15 thus the comparative information has not been restated.
All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The directors of the Group reviewed and assessed the Group's existing financial assets as at 1 January 2017 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the Group's financial assets as regards their classification and measurement:

- the Group's investments in equity instruments (not held for trading) that were previously classified as available-for-sale financial assets and were measured at fair value at each reporting date under IAS 39 have been designated at FVTOCI. The change in fair value on these equity instruments continues to be accumulated in the fair value OCI reserve.
- financial assets classified as held-to-maturity and loans and receivables under IAS 39 that were measured at amortised cost continue to be measured at amortised cost under IFRS 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding;

Impairment of Financial Assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Group to recognise a loss allowance for expected credit losses on i) debt investments subsequently measured at amortised cost or at FVTOCI, ii) lease receivables, iii) contract assets and iv) loan commitments and financial guarantee contracts to which the impairment requirements of IFRS 9 apply. In particular, IFRS 9 requires the Group to measure the loss allowance for a financial instrument at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. On the other hand, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Group is required to measure the loss allowance for that financial instrument at an amount equal to twelve months ECL. IFRS 9 also provides a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

13 CHANGES IN ACCOUNTING POLICIES (Continued)

As at 1 January 2017, the directors of the Group reviewed and assessed the Group's existing financial assets, amounts due from customers and financial guarantee contracts for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of IFRS 9 to determine the credit risk of the respective items at the date they were initially recognised, and compared that to the credit risk as at reporting date. The result of the assessment is as follows:

Items existing as at 1/01/2017 that are subject to the impairment provisions of IFRS -9	Credit risk attributes at 01/01/2017	Cumulative additional loss allowance recognised (QAR '000)	
		01/01/2017	30/09/2017
Cash and bank balances	All bank balances are assessed to have low credit risk at each reporting date as they are held with reputable international banking institutions	Nil	Nil
Bank Balances – customer funds	All bank balances are assessed to have low credit risk at each reporting date as they are held with reputable international banking institutions	Nil	Nil
Due from customers and QCSD	No credit risk is assed for receivables arising on share trading transactions and other trade receivables are assessed based on simplified approach.	436	143

Classification and Measurement of Financial Liabilities

One major change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer. Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognised. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL was presented in profit or loss.

This change in accounting policy has no impact on the classification and measurement of the Group's financial liabilities.

On 1 January 2017, the Group's management has assessed which business models apply to the financial assets held by the Group at the date of initial application of IFRS 9 (1 January 2017) and has classified its financial instruments into the appropriate IFRS 9 categories. The main effects resulting from this reclassification are as follows:

Financial assets – 1 January 2017

	Audited			
	Available for sale (AFS)	*Other financial assets held at amortized cost*	*FVTOCI*	*Total financial assets*
	QR'000 (audited)	*QR'000 (audited)*	*QR'000 (audited)*	*QR'000 (audited)*
Balance at 1 January 2017	109,829	507,116	-	616,945
Adjustment on early adoption of IFRS 9				
Reclassify non-trading equities from AFS to FVTOCI	(109,829)	-	109,829	-
Opening balance after reclassifications	-	507,116	109,829	616,945

13 CHANGES IN ACCOUNTING POLICIES (Continued)

The impact of these changes on the Group's equity as follow:

	Effect on fair value reserve QR'000 (audited)	*Effect on FVTOCI reserve QR'000 (audited)*	*Effect on accumulated losses QR'000 (audited)*
Balance at 1 January 2017	(11,973)	-	(39,107)
Adjustment on early adoption of IFRS 9			
Reclassify non-trading equities from AFS to FVTOCI	11,973	(11,973)	-
Change in fair value of investment securities	-	(616)	-
Impairment on due from customers	-	-	(436)
Adjusted opening balance	-	(12,589)	(39,543)

i) Equity investments previously classified as available-for-sale

The Group elected to present in other comprehensive income changes in the fair value of all its equity investments previously classified as available-for-sale, as these investments are not held for trading. As a result, assets with a fair value of QR 109,829 thousand were reclassified from available-for-sale financial assets to financial assets at fair value through OCI (FVTOCI) and fair value loss of QR 11,973 thousand were reclassified from the fair value reserve to fair value through OCI reserve on 1 January 2017. There is no longer any reclassification of amounts from reserves to profit or loss on the disposal of these equity instruments. Dividends for the period amounting to QR 3,574 were recognised in the interim consolidated statement of income under other income.

ii) Reclassification of financial instruments on adoption of IFRS 9

On the date of initial application, 1 January 2017, the classification and measurement of financial instruments of the Group were as follow,

Financial assets at 1 January 2017	*Measurement category*		*Carrying amount QAR '000*		
	Original (IAS 39)	*New (IFRS 9)*	*Original (IAS 39)*	*Adjustment*	*New (IFRS 9)*
Investment securities	Available for sale	FVTOCI	109,829	(616)	109,213
Due from customers	Loans and receivables	Amortized cost	51,563	(436)	51,127
Due from QCSD	Loans and receivables	Amortized cost	28,691	-	28,691
Bank balances customer funds	Loans and receivables	Amortized cost	307,711	-	307,711
Bank balances	Loans and receivables	Amortized cost	117,156	-	117,156
Other assets	Loans and receivables	Amortized cost	2,005	-	2,005
			616,955	(1,052)	615,903

13 CHANGES IN ACCOUNTING POLICIES (Continued)

iii) Reclassification of financial instruments on adoption of IFRS 9 (Continued)

Financial liabilities at 1 January 2017	*Measurement category*		*Carrying amount QAR '000*	
	Original (IAS 39)	*New (IFRS 9)*	*Original (IAS 39)*	*New (IFRS 9)*
Due to customers	Amortized cost	Amortized cost	397,479	397,479
Other liabilities	Amortized cost	Amortized cost	18,643	18,643
			416,122	416,122

There were no financial assets or financial liabilities with the Group had previously designated as fair value through profit or loss. Under IAS 39 that were subject to reclassification, or which the Group has elected to reclassify upon the application of IFRS 9. There were no financial assets or financial liabilities which the Group has elected to designate as fair value through profit or loss at the date of initial application of IFRS 9.

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:

- 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.

The following table presents revenue and profit information regarding the Group's operating segments for the nine months ended 30 September 2017 and 2016, respectively.

Nine months ended 30 September 2017 (Reviewed)	*Stock Broking QR'000*	*Real Estate QR'000*	*IT and International QR'000*	*Others QR'000*	*Elimination QR'000*	*Total QR'000*
Net brokerage commission income	**29,817**	**3,818**	**-**	**-**	**(179)**	**33,456**
Others (*)	**920**	**3,066**	**1**	**78**	**(2,499)**	**1,566**
Segment revenue	**30,737**	**6,884**	**1**	**78**	**(2,678)**	**35,022**
Segment (loss) profit	**14,001**	**2,079**	**(26)**	**171**	**(95)**	**16,130**
Depreciation and amortization	**(125)**	**(563)**	**(1)**	**(662)**	**-**	**(1,351)**

14 SEGMENT INFORMATION (Continued)

Nine months ended 30 September 2016 (Reviewed)	*Stock Broking QR'000*	*Real Estate QR'000*	*IT and International QR'000*	*Others QR'000*	*Elimination QR'000*	*Total QR'000*
Net brokerage commission income	15,325	3,770	-	-	-	19,095
Others	(4,372)	2,943	2	4,678	(2,499)	752
Segment revenue	10,953	6,713	2	4,678	(2,499)	19,847
Segment profit (loss)	(4,635)	3,234	(33)	4,174	-	2,740
Depreciation	122	562	-	589	-	1,273

(*) Others include interest revenue for the period.

The following table presents the segment assets and liabilities:

At 30 September 2017 (Reviewed)	***Stock Broking QR'000***	***Real Estate QR'000***	***IT and International QR'000***	***Others QR'000***	***Elimination QR'000***	***Total QR'000***
Segment assets	**484,596**	**79,968**	**15,780**	**303,001**	**(267,361)**	**615,984**
Segment liabilities	**360,333**	**5,786**	**52**	**46,371**	**(34,485)**	**378,057**

At 31 December 2016 *(Audited)*	*Stock Broking QR'000*	*Real Estate QR'000*	*IT and International QR'000*	*Others QR'000*	*Elimination QR'000*	*Total QR'000*
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.

15 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

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

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.

15 FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

As at 30 September 2017, the following table shows an analysis of financial instruments recorded at fair value by level of fair value hierarchy:

	Total QR'000	***Level 1 QR'000***	***Level 2 QR'000***	***Level 3 QR'000***
At 30 September 2017 (Reviewed)				
Investment securities	**124,855**	**123,168**	**-**	**1,687**

	Total QR'000	*Level 1 QR'000*	*Level 2 QR'000*	*Level 3 QR'000*
At 31 December 2016 (Audited)				
Investment securities	107,525	107,525	-	-

During the period ended 30 September 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).

16 COMPARATIVE INFORMATION

Comparative information has been reclassified as necessary to comply with current period's presentation and to improve the quality of information presented. However, such reclassifications do not affect the previously reported profits (losses) or equity.

17 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 near future.