



QINVEST

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
30 JUNE 2017**

PARTNERS IN VALUE CREATION

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF QINVEST LLC

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of QInvest LLC ("QInvest" or the "Bank") and its subsidiaries (together referred to as the "Group") as at 30 June 2017, and the related interim consolidated statements of income for the three month and six month periods ended 30 June 2017, and the related interim consolidated statements of changes in shareholders' equity, interim consolidated statement of changes in restricted investment accounts and interim consolidated statement of cash flows for the six-month period then ended and the related explanatory notes.

The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the accounting policies disclosed in Note 2. 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 the accounting policies disclosed in Note 2.



Ernst & Young

Date: 23 July 2017

Doha

State of Qatar



INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2017 (QAR)



	30 June 2017 (Reviewed) QAR '000	31 December 2016 (Audited) QAR '000
ASSETS		
Cash and bank balances	588,799	93,162
Placements with banks	147,941	651,327
Financing assets	1,097,387	1,607,308
Investment securities	1,909,646	1,386,600
Investment in real estate	363,811	344,293
Investment in property lease	187,092	172,081
Investment in associates	251,852	238,074
Other assets	156,087	196,330
TOTAL ASSETS	4,702,615	4,689,175
LIABILITIES		
Financing liabilities	1,845,859	1,906,861
Other liabilities	131,709	106,943
TOTAL LIABILITIES	1,977,568	2,013,804
EQUITY		
Share capital	2,567,500	2,730,000
Share premium	7,800	27,300
Treasury shares	-	(182,000)
Other reserves	36,739	32,316
Accumulated losses	(7,953)	(42,522)
Total equity attributable to shareholders of the Bank	2,604,086	2,565,094
Non-controlling interests	120,961	110,277
Total equity	2,725,047	2,675,371
TOTAL LIABILITIES AND EQUITY	4,702,615	4,689,175
Off-balance sheet items		
Restricted investment accounts	925,750	891,436

Sheikh Jassim Bin Hamad Bin Jassim Bin Jabor Al Thani
Chairman

Tamim Hamad Al-Kawari
Chief Executive Officer

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the six months period ended 30 June 2017 (QAR)



	Three months period ended		Six months period ended	
	30 June 2017 (Reviewed) QAR '000	30 June 2016 (Reviewed) QAR '000	30 June 2017 (Reviewed) QAR '000	30 June 2016 (Reviewed) QAR '000
Fee and commission income	12,223	17,141	26,303	41,019
Income from financing assets	41,605	47,724	86,901	95,499
Net gain from investments	49,631	62,044	85,547	93,868
Income from placements with banks	1,114	430	3,556	899
Share of results of associates	5,001	9,311	6,559	5,467
Profit from a subsidiary held for sale	-	(84)	-	1,627
Other income	(277)	455	200	1,063
Total operating revenue	109,297	137,021	209,066	239,442
Staff costs	(33,434)	(36,356)	(67,424)	(73,455)
General and administrative expenses	(14,137)	(14,131)	(26,608)	(26,652)
Depreciation and amortisation	(993)	(1,077)	(1,918)	(1,951)
Total operating expenses	(48,564)	(51,564)	(95,950)	(102,058)
Operating profit	60,733	85,457	113,116	137,384
Finance expenses	(19,412)	(15,739)	(38,569)	(29,164)
Impairment losses on financial assets	(18,531)	(14,174)	(34,911)	(15,630)
Profit before tax	22,790	55,544	39,636	92,590
Tax expense	244	1,281	(1,580)	1,270
Net profit for the period	23,034	56,825	38,056	93,860
Attributable to:				
Shareholders of the Bank	21,265	55,617	34,569	92,095
Non-controlling interests	1,769	1,208	3,487	1,765
	23,034	56,825	38,056	93,860

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017 (US\$)



		30 June 2017 (Reviewed) US\$ '000	31 December 2016 (Audited) US\$ '000
	Notes		
ASSETS			
Cash and bank balances		161,758	25,594
Placements with banks		40,643	178,936
Financing assets	3	301,480	441,568
Investment securities	4	524,628	380,934
Investment in real estate		99,948	94,586
Investment in property lease		51,399	47,275
Investment in associates		69,190	65,405
Other assets		42,881	53,937
TOTAL ASSETS		1,291,927	1,288,235
LIABILITIES			
Financing liabilities		507,104	523,863
Other liabilities		36,184	29,380
Total liabilities		543,288	553,243
EQUITY			
Share capital	9	705,357	750,000
Share premium	9	2,143	7,500
Treasury shares	9	-	(50,000)
Other reserves	10	10,093	8,878
Accumulated losses		(2,185)	(11,682)
Total equity attributable to shareholders of the Bank		715,408	704,696
Non-controlling interests		33,231	30,296
Total equity		748,639	734,992
TOTAL LIABILITIES AND EQUITY		1,291,927	1,288,235
Off-balance sheet items			
Restricted investment accounts		254,327	244,900

Sheikh Jassim Bin Hamad Bin Jassim Bin Jabor Al Thani
Chairman

Tamim Hamad Al-Kawari
Chief Executive Officer

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the six months period ended 30 June 2017 (US\$)



	Notes	Three months period ended		Six months period ended	
		30 June 2017 (Reviewed) US\$ '000	30 June 2016 (Reviewed) US\$ '000	30 June 2017 (Reviewed) US\$ '000	30 June 2016 (Reviewed) US\$ '000
Fee and commission income		3,358	4,709	7,226	11,269
Income from financing assets		11,430	13,111	23,874	26,236
Net gain from investments	6	13,635	17,045	23,502	25,788
Income from placements with banks		306	118	977	247
Share of results of associates		1,374	2,558	1,802	1,502
Profit from a subsidiary held for sale		-	(23)	-	447
Other income		(76)	125	55	292
Total operating revenue		30,027	37,643	57,436	65,781
Staff costs		(9,185)	(9,988)	(18,523)	(20,180)
General and administrative expenses		(3,884)	(3,882)	(7,310)	(7,322)
Depreciation and amortisation		(273)	(296)	(527)	(536)
Total operating expenses		(13,342)	(14,166)	(26,360)	(28,038)
Operating profit		16,685	23,477	31,076	37,743
Finance expenses		(5,333)	(4,324)	(10,596)	(8,012)
Impairment losses on financial assets	7	(5,091)	(3,894)	(9,591)	(4,294)
Profit before tax		6,261	15,259	10,889	25,437
Tax expense		67	352	(434)	349
Net profit for the period		6,328	15,611	10,455	25,786
Attributable to:					
Shareholders of the Bank		5,842	15,279	9,497	25,301
Non-controlling interests		486	332	958	485
		6,328	15,611	10,455	25,786

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months period ended 30 June 2017



	Attributable to shareholders of the bank					Total equity attributable to shareholders of the Bank US\$ '000	Non- controlling interests US\$ '000	Total Equity US\$ '000
	Share capital US\$ '000	Share premium US\$ '000	Treasury shares US\$ '000	Other reserves US\$ '000	Accumulated losses US\$ '000			
As at 1 January 2017 (Audited)	750,000	7,500	(50,000)	8,878	(11,682)	704,696	30,296	734,992
Profit for the period	-	-	-	-	9,497	9,497	958	10,455
Extinguishment of treasury shares (Note 9)	(44,643)	(5,357)	50,000	-	-	-	-	-
Foreign currency translation differences of foreign operations	-	-	-	5,266	-	5,266	2,005	7,271
Effective portion of changes in fair value of hedges	-	-	-	(1,874)	-	(1,874)	-	(1,874)
Net change in fair value of investment designated as equity	-	-	-	(2,365)	-	(2,365)	-	(2,365)
Share-based payments	-	-	-	188	-	188	-	188
Net movement in non-controlling interests	-	-	-	-	-	-	(28)	(28)
As at 30 June 2017 (Reviewed)	705,357	2,143	-	10,093	(2,185)	715,408	33,231	748,639

	Attributable to shareholders of the bank					Total equity attributable to shareholders of the Bank US\$ '000	Non- controlling interests US\$ '000	Total Equity US\$ '000
	Share capital US\$ '000	Share premium US\$ '000	Treasury shares US\$ '000	Other reserves US\$ '000	Retained earnings US\$ '000			
As at 1 January 2016 (Audited)	750,000	7,500	(50,000)	30,446	10,363	748,309	5,100	753,409
Profit for the period	-	-	-	-	25,301	25,301	485	25,786
Foreign currency translation differences of foreign operations	-	-	-	(2,922)	-	(2,922)	14	(2,908)
Effective portion of changes in fair value of hedges	-	-	-	540	-	540	-	540
Net change in fair value of investment designated as equity	-	-	-	(18,514)	-	(18,514)	-	(18,514)
Share-based payments	-	-	-	1,703	-	1,703	-	1,703
Dividends (Note 11)	-	-	-	-	(28,214)	(28,214)	-	(28,214)
Net movement in non-controlling interest	-	-	-	-	-	-	25,674	25,674
As at 30 June 2016 (Reviewed)	750,000	7,500	(50,000)	11,253	7,450	726,203	31,273	757,476

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN RESTRICTED INVESTMENT ACCOUNTS

For the six months period ended 30 June 2017



	Balance at 1 January 2017 (Audited) US\$'000	Movements during the year				Balance at 30 June 2017 (Reviewed) US\$'000
		Investment / (repayment) US\$'000	Revaluation US\$'000	Realised income US\$'000	Agency fees US\$'000	
Restricted investment accounts	244,900	10,451	(4,704)	3,993	(313)	254,327

	Balance at 1 January 2016 (Audited) US\$'000	Movements during the year					Balance at 30 June 2016 (Reviewed) US\$'000
		Acquisition of subsidiary US\$'000	Investment / (repayment) US\$'000	Revaluation US\$'000	Realised income US\$'000	Agency fees US\$'000	
Restricted investment accounts	158,451	5,322	(12,010)	1,277	442	(114)	153,368

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

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months period ended 30 June 2017



	Notes	Six months period ended	
		30 June 2017 (Reviewed) US\$ '000	30 June 2016 (Reviewed) US\$ '000
OPERATING ACTIVITIES			
Profit before tax		10,889	25,437
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Share of results of associates		(1,802)	(1,502)
Net unrealised foreign exchange losses / (gain)		28	(141)
Depreciation and amortization		527	536
Net fair value movements on investments		(12,545)	(14,345)
Impairment losses on financial assets	7	9,591	4,294
Employees' end of service benefits – net		85	325
Fair value loss on investment in real estate		750	-
Share based payments		188	1,703
Profit from a subsidiary held for sale		-	(447)
Net operating profit before changes in operating assets and liabilities		7,711	15,860
Change in financing assets		59,450	17,782
Change in other assets		(262)	(37,665)
Change in other liabilities		(2,060)	(2,382)
Net cash flows from (used in) operating activities		64,839	(6,405)
INVESTING ACTIVITIES			
Purchase of investment securities		(92,582)	(56,228)
Proceeds from disposal of investment securities		42,355	39,476
Investment in an associate		549	-
Acquisition of subsidiary, net of cash		-	(3,937)
Purchase of equipment and intangible assets		(309)	(1,016)
Purchases of investments in real estate		(222)	(27,183)
Net cash flows used in investing activities		(50,209)	(48,888)
FINANCING ACTIVITIES			
Movement in non-controlling interests		-	25,674
Dividend paid		-	(25,958)
Net movement in financing liabilities		(16,759)	90,287
Net cash flows (used in) from financing activities		(16,759)	90,003
Net (decrease) increase in cash and cash equivalents		(2,129)	34,710
Cash and cash equivalents at 1 January		204,530	131,523
Cash and cash equivalents at 30 June	8	202,401	166,233

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

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

QInvest LLC ("QInvest" or "the Bank") is an Islamic investment bank having its registered office in Doha, State of Qatar, which has been established as a limited liability company in the Qatar Financial Centre. The Bank was authorised by the Qatar Financial Centre Regulatory Authority ("QFCRA") on 30 April 2007 as a category 1 firm, under approval number 00048. Its registered office is at 39th Floor, Tornado Tower, Street No.213, Majlis Al Tawoon Street, Zone 60, West Bay, Doha, State of Qatar.

The Bank is authorised by the Qatar Financial Centre Regulatory Authority (the "QFCRA") to conduct the following regulated activities:

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

in or from the Qatar Financial Center, subject to certain restriction and conditions relating to retail customers and in relation to specified products.

The Bank's activities are regulated by the QFCRA and are supervised by a Sharia'a Supervisory Board whose role is defined by the Bank.

The interim condensed consolidated financial statements of the Group for the six months period ended 30 June 2017 were authorised for issue by the Board of Directors on 23 July 2017.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements of the Bank and its subsidiaries (together referred to as the "Group") for the six months period ended 30 June 2017 have been prepared in accordance with the guidance given by the International Accounting Standard 34 - "Interim Financial Reporting". The interim condensed consolidated 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 six months period ended 30 June 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

This interim condensed consolidated financial information are prepared on historical cost basis, except for financial investments classified as investments at fair value through equity, investments at fair value through income statement, derivative financial instruments, and investment in real estate that have been measured at fair value.

This interim condensed consolidated financial information is presented in US Dollars thousands ("US\$ '000") except where otherwise stated.

The management of the Group has decided to present the interim consolidated statement of financial position and interim consolidated income statement in Qatari Riyals as well. Those two statements are disclosed at the beginning of the interim condensed consolidated financial statements as a supplementary information which do not form part of the reviewed interim condensed consolidated financial statements.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Significant accounting policies

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 the new and amended accounting standards listed below, which were prepared in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (the "AAOIFI") and the Shari'a Rules and Principles as determined by the Shari'a Supervisory Board of the Group. For matters which are not covered by AAOIFI standards, including "Interim Financial Reporting", the Group uses guidance from the relevant International Financial Reporting Standards (the "IFRSs") as issued by the International Accounting Standards Board ("IASB").

The following new and amended standards have been adopted by the Group in preparation of this interim condensed consolidated financial statement. The new standards do not have any material impact to the Group.

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
Annual Improvements Cycle - 2014-2016	1 January 2017

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 Group intends to adopt these standards, if applicable, when they become effective.

Topic	Effective date
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 16 Leases	1 January 2019
IFRS 2 Classification and Measurement of Share-based Payment Transactions — Amendments to IFRS 2	1 January 2018

The application of new standards may have impact on amounts reported in the consolidated financial statements and may result in additional disclosures in the consolidated financial statements. However, the Group is currently in the process of evaluating and implementing the required changes in its systems, policies and processes to comply with the new standards and hence it is not practical to disclose a reliable quantitative impact until the implementation is finalized.

Basis of consolidation

The Group's principal subsidiaries as at 30 June 2017 are as below:

Name	Principal Business Activity	Country of Incorporation	% Effective shareholding	
			30 June 2017	30 June 2016
QInvest Portfoy Yonetimi A.S.	Asset Management	Turkey	100%	-
Verdi Luxembourg SARL	Investment in real estate	Luxembourg	100%	100%
Q Business Services	Investment holding company	Cayman Islands	100%	100%
Q Liquidity Limited	Placements	Cayman Islands	100%	100%
QInvest Holding Mauritius	Investment holding company	Mauritius	100%	100%
Q Exhibit	To provide financing facility	Mauritius	100%	100%
QInvest Luxembourg S.a.r.l.	Investment holding company	Luxembourg	100%	100%
QI St Edmund's Terrace 2 Limited	Investment holding company	Cayman Islands	100%	100%
QInvest IBFin LLC (Previously known as QInvest Comms Holding LLC)	To provide financing facility	State of Qatar (QFC)	100%	100%

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

Name	Principal Business Activity	Country of Incorporation	% Effective shareholding	
			30 June 2017	30 June 2016
QI One Wall Street Invest Co.	Investment holding company	Cayman Islands	100%	100%
QEthika 1	Investment holding company	Cayman Islands	100%	100%
QNGPV1	Investment holding company	Cayman Islands	100%	100%
QInvest Euro PE QFC LLC	Investment holding company	State of Qatar (QFC)	100%	100%
QInvest Rio LLC	Investment holding company	State of Qatar (QFC)	63%	100%
Rio income s.a.r.l.	Investment in lease assets	Luxembourg	90%	90%
Q Tomahawk LLC	Investment holding company	Cayman Islands	100%	100%
QInvest Refin LLC	To provide financing facility	State of Qatar (QFC)	100%	100%
Q Alloy S.a.r.l.	To provide financing facility	Luxembourg	100%	100%
QSeven 1 LP	Investment in real estate	Cayman Island	91%	-
Q Magnolia LLC	Investment in real estate	Cayman Island	100%	-
BOH LLC	Investment holding company	State of Qatar (QFC)	100%	-

3 FINANCING ASSETS

	30 June 2017 (Reviewed) US\$ '000	31 December 2016 (Audited) US\$ '000
Murabaha	337,652	480,348
Less: Allowance for impairment for financing assets	(36,172)	(38,780)
	301,480	441,568

As of 30 June 2017, the Group has non-performing financing assets amounted to US\$ 70 million (31 December 2016: non-performing assets amounting to US\$ 101 million). Profit in suspense amounted to US\$ 6.7 million (31 December 2016: US\$ 5.6 million). The movements in allowance for impairment for financing assets are as follow:

	30 June 2017 (Reviewed) US\$ '000	31 December 2016 (Audited) US\$ '000
Balance at beginning of period/year	38,780	7,131
Provided during the period/year	9,023	31,649
Adjustments related to the derecognised financing assets*	(11,631)	-
Balance at end of period/year	36,172	38,780

* During the period, the Bank have derecognised two financing assets amounting to US\$ 81.6 million and their related allowance of impairment amounting to US\$ 11.6 million.

4 INVESTMENT SECURITIES

	30 June 2017 (Reviewed) US\$ '000	31 December 2016 (Audited) US\$ '000
Equity		
Fair value through income statement	381,531	267,257
Fair value through equity	64,644	35,527
	446,175	302,784
Sukuk and other debt instrument		
Fair value through income statement	10,565	12,777
Amortised cost	70,724	68,209
Less: allowance for impairment	(2,836)	(2,836)
	67,888	65,373
	524,628	380,934

5 FAIR VALUE HIERARCHY OF ASSETS AND LIABILITIES

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

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

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 30 June 2017:

	Fair value measurement using			
	Fair value US\$ '000	Quoted prices in active markets (Level 1) US\$ '000	Significant observable inputs (Level 2) US\$ '000	Significant unobservable inputs (Level 3) US\$ '000
ASSETS				
Fair value through income statement investments	392,096	8,523	94,567	289,006
Fair value through equity financial investments	64,644	-	-	64,644
Derivative instruments	143	-	143	-
Investment in real estate	99,948	-	-	99,948
Total	556,831	8,523	94,710	453,598
LIABILITIES				
Derivative instruments	8,971	-	8,971	-

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As at 30 June 2017



5 FAIR VALUE HIERARCHY OF ASSETS AND LIABILITIES (continued)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 December 2016:

	Fair value measurement using			
	Fair value US\$ '000	Quoted prices in active markets (Level 1) US\$ '000	Significant observable inputs (Level 2) US\$ '000	Significant unobservable inputs (Level 3) US\$ '000
ASSETS				
Fair value through income statement investments	280,034	10,735	61,188	208,111
Fair value through equity financial investments	35,527	-	-	35,527
Derivative instruments	12,225	-	12,225	-
Investment in real estate	94,586	-	-	94,586
Total	422,372	10,735	73,413	338,224
LIABILITIES				
Derivative instruments	107	-	107	-

During the six months period ended 30 June 2017, there were no transfers between Level 1 and Level 2 fair value measurements.

6 NET GAIN FROM INVESTMENTS

	Note	Six months period ended	
		30 June 2017 (Reviewed) US\$ '000	30 June 2016 (Reviewed) US\$ '000
Net income from financial investments	6.1	19,341	21,215
Net income from investments in real estate		3,114	2,681
Net income from investment in property lease		1,047	1,892
		23,502	25,788

6.1 Net income from financial investments

	Six months period ended	
	30 June 2017 (Reviewed) US\$ '000	30 June 2016 (Reviewed) US\$ '000
Income from investments carried at fair value through income statement, net	15,300	10,511
Income from investments carried at fair value through equity	-	7,100
Income from investments carried at amortized cost	3,980	2,881
Net gain from derivative financial instruments	61	723
	19,341	21,215

7 IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	Six months period ended	
	30 June 2017 (Reviewed) US\$ '000	30 June 2016 (Reviewed) US\$ '000
Impairment loss on financing assets (Note 3)	9,023	4,292
Impairment loss on other receivables	568	2
	9,591	4,294

8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following balances with original maturity less than 90 days.

	Six months period ended	
	30 June 2017 (Reviewed) US\$ '000	30 June 2016 (Reviewed) US\$ '000
Cash and bank balances	161,758	118,610
Short-term placements (original maturity of less than three months)	40,643	47,623
	202,401	166,233

9 TREASURY SHARES

On 30 April 2017, the Bank have cancelled 44,642,858 of the issued shares of US\$ 1 per share, each of which is fully paid up and held by the Bank as treasury shares. The cancellation of the shares was approved in the extraordinary General Assembly meeting dated 21 February 2017.

10 OTHER RESERVE

10.1 Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

10.2 Fair value reserve

The investments fair value reserve includes the cumulative net change in the fair value of fair value through equity investments, excluding impairment losses, until the investment is derecognized. This also includes the Bank's share of the fair value changes on fair value through equity investments of associate.

10.3 Hedging reserves

The hedging reserves are used to record gains or losses on derivatives that are designated and qualify as net investment in foreign operations hedges and cash flow hedges that are recognised in the reserves. Amounts are reclassified to income statement when the associated hedged transaction affects income statement.

10.4 Share based payment reserve

The share based payment reserve is used to recognize the value of equity-settled share-based payments charge provided to for the employees entitled to the scheme, including key management personnel, as part of their remuneration.

11 CASH DIVIDENDS TO SHAREHOLDERS OF THE BANK

	Six months period ended	
	30 June 2017 (Reviewed) US\$ '000	30 June 2016 (Reviewed) US\$ '000
Dividends on ordinary shares declared:		
Dividends for 2016: Nil (2015: US\$ 4 cents per share)	-	28,214

12 CONTINGENT LIABILITIES, COMMITMENTS AND PROVISIONS

	30 June 2017 (Reviewed) US\$ '000	31 December 2016 (Audited) US\$ '000
Investment commitments	57,121	69,896
Forward foreign exchange contracts	227,331	222,534
Cross currency profit rate swaps	45,352	45,278
Other contingent liabilities	23,740	12,541
Operating lease commitments	3,626	5,231
Unutilised financing commitments	22,389	18,192

13 RELATED PARTIES

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 entities over which the Group exercises significant influence, major shareholders, directors and key management personnel of the Group.

The following table provides the total amount of transactions that have been entered into with related parties during the six months ended 30 June 2017 and 2016, as well as balances with related parties as at 30 June 2017 and 31 December 2016:

	30 June 2017 (Reviewed) US\$ '000	31 December 2016 (Audited) US\$ '000
Balance sheet items:		
<i>Assets:</i>		
Placements and bank balances with a significant shareholder and its subsidiaries	21,379	104,397
Financing assets to associate including accrued profit	3,838	3,701
Off balance sheet items:		
Forward foreign exchange contracts outstanding	73,643	76,736
Restricted investment accounts	-	83,361
	Six months period ended	
	30 June 2017 (Reviewed) US\$ '000	30 June 2016 (Reviewed) US\$ '000
Income statement items:		
Fee and commission income	63	500
Placement income	24	5
Financing income	54	-

Key management personnel of the Group comprise the Board of Directors and key members of management having authority and responsibility for planning, controlling and directing the activities of the Group.

Transactions with key management personnel:

	Six months period ended	
	30 June 2017 (Reviewed) US\$ '000	30 June 2016 (Reviewed) US\$ '000
Salaries and other benefits	1,690	1,480
Incentives	1,832	2,006
Employee Share Option Plan	299	1,042
Post-employment benefits	109	125

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Note: "\$" refers to US Dollars throughout this document