



QINVEST

HALF YEAR REPORT JUNE 2016

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 2016, the related interim consolidated statement of income for the three-month and six-month periods ended 30 June 2016 and the related interim consolidated statements of changes in shareholders' equity, interim consolidated statement of changes in restricted investment accounts and interim consolidated 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: 21 July 2016
Doha
State of Qatar



INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016 (QAR)

	30 June 2016 (Reviewed) QAR '000	31 December 2015 (Audited) QAR '000
ASSETS		
Cash and bank balances	431,740	251,342
Placements with banks	173,348	227,402
Financing assets	1,737,554	1,817,911
Investment securities	1,391,783	1,293,521
Investment in real estate	314,136	212,598
Investment in property lease	186,557	183,081
Investment in associates	237,787	282,169
Assets of a subsidiary held for sale	4,481	4,459
Other assets	334,810	204,794
TOTAL ASSETS	4,812,196	4,477,277
LIABILITIES		
Financing liabilities	1,941,874	1,613,230
Liabilities of a subsidiary held for sale	3,542	3,400
Other liabilities	109,567	118,239
Total liabilities	2,054,983	1,734,869
Equity		
Share capital	2,730,000	2,730,000
Share premium	27,300	27,300
Treasury shares	(182,000)	(182,000)
Other reserves	40,961	110,823
Retained earnings	27,118	37,721
Total equity attributable to shareholders of the Bank	2,643,379	2,723,844
Non-controlling interests	113,834	18,564
Total equity	2,757,213	2,742,408
TOTAL LIABILITIES AND EQUITY	4,812,196	4,477,277
Off-balance sheet items		
Restricted investment accounts	558,260	576,762



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 2016 (QAR)

	Three months period ended (Reviewed)		Six months period ended (Reviewed)	
	30 June 2016 QAR '000	30 June 2015 QAR '000	30 June 2016 QAR '000	30 June 2015 QAR '000
Fee and commission income	17,141	8,052	41,019	19,605
Income from financing assets	47,724	31,402	95,499	57,971
Net gain from investments	62,044	64,315	93,868	91,866
Income from placements with banks	430	1,285	899	2,548
Share of results of associates	9,311	1,609	5,467	2,490
Profit from a subsidiary held for sale	(84)	13,723	1,627	21,043
Other income	455	(233)	1,063	(18)
Net operating income	137,021	120,153	239,442	195,505
Staff costs	(36,356)	(34,835)	(73,455)	(67,129)
General and administrative expenses	(14,131)	(10,760)	(26,652)	(19,285)
Depreciation and amortisation	(1,077)	(863)	(1,951)	(1,660)
Total operating expenses	(51,564)	(46,458)	(102,058)	(88,074)
Operating profit	85,457	73,695	137,384	107,431
Finance expenses	(15,739)	(6,013)	(29,164)	(11,288)
Impairment loss on financial assets and other assets	(14,174)	-	(15,630)	-
Profit before tax	55,544	67,682	92,590	96,143
Tax credit/ (expense)	1,281	(6,246)	1,270	(7,498)
Net profit for the period	56,825	61,436	93,860	88,645
Attributable to:				
Shareholders of the Bank	55,617	61,436	92,095	88,645
Non-controlling interests	1,208	-	1,765	-
	56,825	61,436	93,860	88,645

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months period ended 30 June 2016 (QAR)

	Attribute to shareholder of the Bank					Total equity attributable to shareholders of the Bank QAR '000	Non-controlling interest QAR '000	Total Equity QAR '000
	Share capital QAR '000	Share premium QAR '000	Treasury shares QAR '000	Other reserves QAR '000	Retained earnings QAR '000			
As at 1 January 2016 (Audited)	2,730,000	27,300	(182,000)	110,823	37,721	2,723,844	18,564	2,742,408
Profit for the period	-	-	-	-	92,096	92,096	1,765	93,861
Foreign currency translation differences of foreign operations	-	-	-	(10,635)	-	(10,635)	52	(10,583)
Effective portion of changes in fair value of hedges	-	-	-	1,965	-	1,965	-	1,965
Net change in fair value of investment designated as equity	-	-	-	(67,391)	-	(67,391)	-	(67,391)
Share-based payments	-	-	-	6,199	-	6,199	-	6,199
Dividends	-	-	-	-	(102,699)	(102,699)	-	(102,699)
Net movement in non-controlling interests	-	-	-	-	-	-	93,453	93,453
As at 30 June 2016 (Reviewed)	2,730,000	27,300	(182,000)	40,961	27,118	2,643,379	113,834	2,757,213

	Share capital QAR '000	Share premium QAR '000	Treasury shares QAR '000	Other reserves QAR '000	Accumulated losses QAR '000	Total QAR '000
As at 1 January 2015 (Audited)	2,730,000	27,300	(182,000)	40,335	(65,032)	2,550,603
Profit for the period	-	-	-	-	88,645	88,645
Foreign currency translation differences of foreign operations	-	-	-	(38,511)	-	(38,511)
Effective portion of changes in fair value of hedges	-	-	-	40,811	-	40,811
Net change in fair value of investment designated as equity	-	-	-	25,538	-	25,538
Share-based payments	-	-	-	6,199	-	6,199
Dividends	-	-	-	-	(51,349)	(51,349)
As at 30 June 2015 (Reviewed)	2,730,000	27,300	(182,000)	74,372	(27,737)	2,621,936

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016 (US\$)

	30 June 2016 (Reviewed) US\$ '000	31 December 2015 (Audited) US\$ '000
ASSETS		
Cash and bank balances	118,610	69,050
Placements with banks	47,623	62,473
Financing assets	477,350	499,426
Investment securities	382,358	355,363
Investment in real estate	86,301	58,406
Investment in property lease	51,252	50,297
Investment in associates	65,326	77,519
Assets of a subsidiary held for sale	1,231	1,225
Other assets	91,981	56,262
TOTAL ASSETS	1,322,032	1,230,021
LIABILITIES		
Financing liabilities	533,482	443,195
Liabilities of a subsidiary held for sale	973	934
Other liabilities	30,101	32,483
Total liabilities	564,556	476,612
Equity		
Share capital	750,000	750,000
Share premium	7,500	7,500
Treasury shares	(50,000)	(50,000)
Other reserves	11,253	30,446
Retained earnings	7,450	10,363
Total equity attributable to shareholders of the Bank	726,203	748,309
Non-controlling interests	31,273	5,100
Total equity	757,476	753,409
TOTAL LIABILITIES AND EQUITY	1,322,032	1,230,021
Off-balance sheet items		
Restricted investment accounts	153,368	158,451



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 2016 (US\$)

	Three months period ended (Reviewed)		Six months period ended (Reviewed)	
	30 June 2016 US\$ '000	30 June 2015 US\$ '000	30 June 2016 US\$ '000	30 June 2015 US\$ '000
Fee and commission income	4,709	2,212	11,269	5,386
Income from financing assets	13,111	8,627	26,236	15,926
Net gain from investments	17,045	17,669	25,788	25,238
Income from placements with banks	118	353	247	700
Share of results of associates	2,558	442	1,502	684
Profit from a subsidiary held for sale	(23)	3,770	447	5,781
Other income	125	(64)	292	(5)
Net operating income	37,643	33,009	65,781	53,710
Staff costs	(9,988)	(9,570)	(20,180)	(18,442)
General and administrative expenses	(3,882)	(2,956)	(7,322)	(5,298)
Depreciation and amortisation	(296)	(237)	(536)	(456)
Total operating expenses	(14,166)	(12,763)	(28,038)	(24,196)
Operating profit	23,477	20,246	37,743	29,514
Finance expenses	(4,324)	(1,652)	(8,012)	(3,101)
Impairment loss on financial assets and other assets	(3,894)	-	(4,294)	-
Profit before tax	15,259	18,594	25,437	26,413
Tax credit/ (expense)	352	(1,716)	349	(2,060)
Net profit for the period	15,611	16,878	25,786	24,353
Attributable to:				
Shareholders of the Bank	15,279	16,878	25,301	24,353
Non-controlling interests	332	-	485	-
	15,611	16,878	25,786	24,353

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months period ended 30 June 2016 (US\$)

	Attribute to shareholder of the Bank					Total equity attributable to shareholders of the Bank US\$ '000	Non-controlling interest 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	-	-	-	-	(28,214)	(28,214)	-	(28,214)
Net movement in non-controlling interests	-	-	-	-	-	-	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

	Share capital US\$ '000	Share premium US\$ '000	Treasury shares US\$ '000	Other reserves US\$ '000	Accumulated losses US\$ '000	Total US\$ '000
As at 1 January 2015 (Audited)	750,000	7,500	(50,000)	11,081	(17,866)	700,715
Profit for the period	-	-	-	-	24,353	24,353
Foreign currency translation differences of foreign operations	-	-	-	(10,580)	-	(10,580)
Effective portion of changes in fair value of hedges	-	-	-	11,212	-	11,212
Net change in fair value of investment designated as equity	-	-	-	7,016	-	7,016
Share-based payments	-	-	-	1,703	-	1,703
Dividends	-	-	-	-	(14,107)	(14,107)
As at 30 June 2015 (Reviewed)	750,000	7,500	(50,000)	20,432	(7,620)	720,312

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