

CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
QATAR FIRST BANK L.L.C (Public)
30 September 2017

CONTENTS

INDEPENDENT AUDITOR'S REVIEW REPORT	1
---	---

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS:

Condensed consolidated statement of financial position	2
Condensed consolidated income statement	3
Condensed consolidated statement of changes in equity	4
Condensed consolidated statement of cash flows	5

Notes to the condensed consolidated interim financial statements:

1. Reporting Entity	6
2. Basis Of Preparation	7
3. Significant Accounting Policies	7
4. Investments Carried At Amortised Cost	8
5. Financing Assets	8
6. Equity Investments	9
7. Assets Classified As Held-For-Sale	10
8. Financing Liabilities	11
9. Equity Of Unrestricted Investment Account Holders	11
10. Share Capital	11
11. Revenue And Expenses From Non-Banking Activities	12
12. Basic / Diluted (Loss) / Earnings Per Share	12
13. Contingent Liabilities	12
14. Commitments	13
15. Related Parties Transactions And Balances	13
16. Financial Risk Management	14
17. Fair Value Of Financial Instruments	14
18. Segment Information	17
19. Comparative Figures	19



KPMG L.L.C
(QFC No 00051)
25 C Ring Road
PO Box 4473, Doha
State of Qatar
Telephone: +974 4457 6444
Fax: 974 4442 5626
Website: www.kpmg.com.qa

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

Introduction

We have reviewed the accompanying 30 September 2017 condensed consolidated interim financial statements of Qatar First Bank L.L.C (Public) ("the Bank") and its subsidiaries (together referred to as the 'Group'), which comprise:

- the condensed consolidated statement of financial position as at 30 September 2017;
- the condensed consolidated income statement for the three and nine-month periods ended 30 September 2017;
- the condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2017;
- the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2017; and
- notes to the condensed consolidated interim financial statements.

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

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Auditing Standards for Islamic Financial Institutions and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2017 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with FAS issued by AAOIFI.

26 October 2017
Doha
State of Qatar

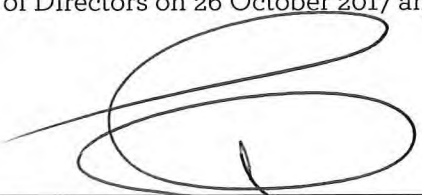
Gopal Balasubramaniam
KPMG
Auditor's Registration No. 251
Licensed by QFMA: External
Auditor's License No. 120153


QATAR FIRST BANK L.L.C (Public)
 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 As at 30 September 2017 (expressed in QAR'000)



	30 September 2017 <i>Notes</i> (Reviewed)	31 December 2016 (Audited)
ASSETS		
Cash and cash equivalents	705,416	1,113,796
Due from banks	110,000	355,000
Investments carried at amortised cost	4 454,765	893,217
Financing assets	5 1,554,301	1,472,871
Accounts receivable	316,962	249,691
Inventories	81,356	64,113
Equity investments	6 1,165,142	1,176,160
Investments in real estate	245,249	218,138
Fixed assets	181,521	168,543
Intangible assets	23,612	26,705
Assets classified as held-for-sale	7 561,956	86,253
Other assets	134,969	153,312
TOTAL ASSETS	5,535,249	5,977,799
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS AND EQUITY		
Liabilities		
Financing liabilities	8 797,516	1,100,228
Customers' balances	93,156	108,396
Liabilities of disposal group classified as held-for-sale	7.2 352,252	-
Other liabilities	235,713	196,454
Total Liabilities	1,478,637	1,405,078
Equity of Unrestricted Investment Account Holders	9 2,220,762	2,697,670
Equity		
Share capital	10 2,000,000	2,000,000
Fair value reserve	18,147	(561)
Accumulated losses	(340,354)	(200,754)
Total Equity Attributable to Shareholders of the Bank	1,677,793	1,798,685
Non-controlling interest	158,057	76,366
Total Equity	1,835,850	1,875,051
TOTAL LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS AND EQUITY	5,535,249	5,977,799

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


 Abdulla bin Fahad bin Ghorab Al Marri
 Chairman


 Jassim Mohammad Al-Kaabi
 Board Member

The attached notes 1 to 19 form an integral part of these condensed consolidated interim financial statements.



	Notes	For the three-month period ended		For the nine-month period ended	
		30 September 2017 (Reviewed)	30 September 2016 (Reviewed)	30 September 2017 (Reviewed)	30 September 2016 (Reviewed)
CONTINUING OPERATIONS					
INCOME					
Revenue from non-banking activities	11	90,299	109,505	272,242	334,184
(Loss) / gain on re-measurement of investments at fair value through income statement	6.2	(21,608)	9,955	(40,794)	65,451
Dividend income		10,150	-	17,636	13,115
Profit on investments carried at amortised cost		4,327	7,595	17,915	21,190
Gain on disposal of investments carried at amortised cost		1,125	-	1,371	673
Gain on disposal of equity investments		143	-	1,892	-
Income from financing assets		20,094	18,446	61,306	50,560
Income from placements with financial institutions		4,071	9,443	20,422	22,645
Other (loss) / income		(2,797)	4,827	(16,784)	43,358
Total Income Before Return To Unrestricted Investment Account Holders		105,804	159,771	335,206	551,176
Return to investment account holders		(18,702)	(22,561)	(63,312)	(61,562)
TOTAL INCOME		87,102	137,210	271,894	489,614
EXPENSES					
Expenses from non-banking activities	11	(106,888)	(105,171)	(287,309)	(324,366)
Staff costs		(13,590)	(18,698)	(53,398)	(72,001)
Other operating expenses		(10,940)	(15,815)	(35,323)	(54,612)
Financing costs		(4,578)	(6,062)	(15,837)	(12,729)
Depreciation and amortisation		(2,350)	(3,257)	(7,926)	(9,771)
TOTAL EXPENSES		(138,346)	(149,003)	(399,793)	(473,479)
Provision for impairment on financing assets, net of recoveries	5	(16,854)	(1,834)	(16,924)	(12,257)
NET (LOSS) / PROFIT BEFORE INCOME TAX		(68,098)	(13,627)	(144,823)	3,878
Income tax expense		-	-	-	-
NET (LOSS)/ PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		(68,098)	(13,627)	(144,823)	3,878
DISCONTINUED OPERATIONS					
Profit from discontinued operations, net of tax		2,750	670	2,750	1,199
NET (LOSS) / PROFIT FOR THE PERIOD		(65,348)	(12,957)	(142,073)	5,077
Attributable to:					
Equity holders of the Bank		(62,925)	(13,438)	(139,600)	3,387
Non-controlling interest		(2,423)	481	(2,473)	1,690
		(65,348)	(12,957)	(142,073)	5,077
Basic/diluted (loss) / earnings per share -QAR	12	(0.32)	(0.07)	(0.70)	0.02

The attached notes 1 to 19 form an integral part of these condensed consolidated interim financial statements.

QATAR FIRST BANK L.L.C (Public)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine-month period ended 30 September 2017 (expressed in QAR'000)

	Notes	Fair value reserves				Total equity attributable to equity holders of the Bank	Non-controlling interests	Total equity
		Share capital	Investment fair value reserve	Property fair value reserve	Retained Earnings / (Accumulated losses)			
Balance at 1 January 2016 (Audited)		2,000,000	(27,256)	5,013	68,319	2,046,076	53,968	2,100,044
Fair value adjustment		-	6,814	-	-	6,814	-	6,814
Net profit for the period		-	-	-	3,387	3,387	1,690	5,077
Increase in non-controlling interests due to:								
- Subsidiary's management remuneration		-	-	(877)	-	(877)	4,956	4,079
- Increase of share capital of a subsidiary		-	-	-	-	-	13,447	13,447
Balance at 30 September 2016 (Reviewed)		2,000,000	(20,442)	4,136	71,706	2,055,400	74,061	2,129,461
Balance at 1 January 2017 (Audited)		2,000,000	(5,079)	4,518	(200,754)	1,798,685	76,366	1,875,051
Fair value adjustment		-	18,708	-	-	18,708	-	18,708
Net loss for the period		-	-	-	(139,600)	(139,600)	(2,473)	(142,073)
Increase in non-controlling interests due to:								
- Establishment of Real Estate Structures	7.2	-	-	-	-	-	84,164	84,164
Balance at 30 September 2017 (Reviewed)		2,000,000	13,629	4,518	(340,354)	1,677,793	158,057	1,835,850

The attached notes 1 to 19 form an integral part of these condensed consolidated interim financial statements.