

***QATAR DEVELOPMENT BANK Q.S.C.C.***

**Condensed Interim financial information  
30 June 2017**

**QATAR DEVELOPMENT BANK Q.S.C.C**  
**Condensed Interim Financial Information**  
**As at 30 June 2017**

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## **REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF QATAR DEVELOPMENT BANK Q.S.C.C**

### **Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Qatar Development Bank Q.S.C.C ("the Bank") as of 30 June 2017 and the related condensed interim statements of income, comprehensive income, changes in equity and cash flows for the six month period then ended and notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34, 'Interim financial reporting' as issued by the International Accounting Standards Board (IASB) and the regulations of the Qatar Central Bank (QCB). Our responsibility is to express a conclusion on this condensed consolidated interim financial information 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' and the applicable provisions of the Qatar Central Bank regulations. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 as issued by the IASB and the regulations set by the Qatar Central Bank.

A handwritten signature in blue ink, appearing to read 'M. Elmoataz', is written over a horizontal line.

**Mohamed Elmoataz**  
**PricewaterhouseCoopers – Qatar Branch**  
Auditors' registration number 281  
20 July 2017

**QATAR DEVELOPMENT BANK Q.S.C.C**

For the period ended 30 June 2017

*(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)***Condensed interim statement of financial position****As at 30 June 2017**

	Notes	30 June 2017 (Reviewed)	31 December 2016 (Audited)
<b>ASSETS</b>			
Cash and balances with Qatar Central Bank		56,636	42,821
Due from banks	6	1,621,852	1,406,214
Loans and advances to customers	8	4,435,189	4,121,446
Investment securities	9	1,692,664	1,829,168
Investment in associates and joint ventures	10	17,610	22,879
Investment properties		873,156	802,872
Property and equipment		48,325	52,510
Other assets	11	174,734	118,152
<b>TOTAL ASSETS</b>		<b>8,920,166</b>	<b>8,396,062</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Customer's deposits	-	54,689	80,817
Provisions		54,616	52,912
Other liabilities	12	160,775	168,636
<b>TOTAL LIABILITIES</b>		<b>270,080</b>	<b>302,365</b>
<b>EQUITY</b>			
Share capital	13	7,920,645	7,320,645
Legal reserve		129,667	129,667
General reserve		1,010	1,010
Risk reserve		123,643	123,643
Fair value reserve		259,950	346,030
Retained earnings		215,171	172,702
<b>TOTAL EQUITY</b>		<b>8,650,086</b>	<b>8,093,697</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>8,920,166</b>	<b>8,396,062</b>

These condensed interim financial statements were approved by the Board of Directors on 20 July 2017 and signed on their behalf by:



Sheikh Abdullah Bin Saud Al-Thani  
Chairman



Abdulaziz Bin Nasser Al-Khalifa  
Chief Executive Officer



**QATAR DEVELOPMENT BANK Q.S.C.C**

For the period ended 30 June 2017

*(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)***Condensed interim statements of income**

For the Six months ended 30 June 2017

	Notes	Six months ended 30 June	
		2017 (Reviewed)	2016 (Reviewed)
Interest income		69,788	69,681
Interest expense		-	(133)
<b>Net interest income</b>		<b>69,788</b>	<b>69,548</b>
Profit from Islamic financing		63,878	46,500
<b>Net interest income and profit from Islamic financing</b>		<b>133,666</b>	<b>116,048</b>
Fees and commission income		92,396	96,649
Income from investment securities		17,215	22,573
Net gain on disposal of financial investments		35,812	6,599
Rental and other operating income		28,836	31,639
Foreign exchange gain		4,392	1,940
<b>Net operating income</b>		<b>312,317</b>	<b>275,448</b>
Staff and other expenses	14	(151,637)	(141,035)
Depreciation		(14,394)	(15,410)
Net impairment loss on investment securities		(19,264)	(17,605)
Net impairment loss on loans and advances to customers	8(c)	(79,284)	(56,304)
Share of losses and impairment of associates and joint ventures		(5,269)	(7,505)
<b>Profit for the period</b>		<b>42,469</b>	<b>37,589</b>

**QATAR DEVELOPMENT BANK Q.S.C.C**

For the period ended 30 June 2017

*(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)***Condensed interim statements of comprehensive income**

For the Six months ended 30 June 2017

	Six months ended 30 June	
	2017 (Reviewed)	2016 (Reviewed)
<b>Profit for the period</b>	<b>42,469</b>	37,589
<b>Other comprehensive income for the period</b>		
<i>Items that are or may be classified to profit or loss</i>		
Net change in fair value of Available for sale investments	(50,268)	(15,944)
<b>Transfer to profit/loss for the period</b>		
Reclassification adjustment to available for sale gain on disposal/impaired during the period	(35,812)	17,605
<b>Other comprehensive (loss)/income for the period</b>	<b>(86,080)</b>	1,661
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD</b>	<b>(43,611)</b>	<b>39,250</b>

**QATAR DEVELOPMENT BANK Q.S.C.C**

For the period ended 30 June 2017

(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**

For the six months ended 30 June 2017

	Share capital	Legal reserve*	General reserve	Risk reserve*	Fair value reserve	Retained earnings	Total
Balance at 1 January 2017 (Audited)	7,320,645	129,667	1,010	123,643	346,030	172,702	8,093,697
Capital contribution **	600,000	-	-	-	-	-	600,000
<b>Total transactions with owners</b>	<b>600,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>600,000</b>
<b>Total comprehensive income for the period</b>							
Profit for the period					-	42,469	42,469
Other comprehensive income					(86,080)	-	(86,080)
<b>Total comprehensive income for the period</b>					<b>(86,080)</b>	<b>42,469</b>	<b>(43,611)</b>
<b>Balance at 30 June 2017 (Reviewed)</b>	<b>7,920,645</b>	<b>129,667</b>	<b>1,010</b>	<b>123,643</b>	<b>259,950</b>	<b>215,171</b>	<b>8,650,086</b>
Balance at 1 January 2016 (Audited)	6,120,645	124,222	1,010	103,513	323,306	171,059	6,843,755
Capital contribution**	600,000	-	-	-	-	-	600,000
<b>Total transactions with owners</b>	<b>600,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>600,000</b>
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	37,589	37,589
Other comprehensive income	-	-	-	-	1,661	-	1,661
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,661</b>	<b>37,589</b>	<b>39,250</b>
<b>Balance at 30 June 2016 (Reviewed)</b>	<b>6,720,645</b>	<b>124,222</b>	<b>1,010</b>	<b>103,513</b>	<b>324,967</b>	<b>208,648</b>	<b>7,483,005</b>

\* No transfer has been made to legal reserve and risk reserve for the period ended 30 June 2017 as the Bank will transfer the required amount to the reserves by end of 31 December 2017.

\*\* During the period the Bank has received QAR 600 million (2016: QAR 600 million) from the Government as a contribution towards the share capital.

**QATAR DEVELOPMENT BANK Q.S.C.C**

For the period ended 30 June 2017

(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

**CONDENSED INTERIM STATEMENT OF CASH FLOWS**

For the six months ended 30 June 2017

	Notes	Six months ended 30 June	
		2017 (Reviewed)	2016 (Reviewed)
<b>Cash flows from operating activities</b>			
Profit for the period		42,469	37,589
Adjustments for:			
Net impairment loss on loans and advances to customers	8(c)	79,284	56,304
Net impairment loss on Investment securities to customers		19,264	17,605
Gain on disposal of investments		(35,812)	(6,599)
Depreciation		14,394	15,410
Share of losses / impairment of associates and joint ventures	10	5,269	7,505
		<b>124,868</b>	<b>127,814</b>
Change in placement with other banks (more than three months)		(82,164)	12,297
Change in loans and advances to customers		(393,027)	(177,930)
Change in other assets		(56,582)	(19,511)
Change in due to banks		-	(400,000)
Change in other liabilities		(32,285)	(18,634)
<b>Net cash used in operating activities</b>		<b>(439,190)</b>	<b>(475,964)</b>
<b>Cash flows from investing activities</b>			
Proceeds from investment securities		66,971	85,550
Acquisition of associate and joint ventures	10	-	(420)
Acquisition of investment properties		(79,102)	(133,631)
Acquisition of property and equipment, net of disposal		(1,391)	(2,801)
<b>Net cash used in investing activities</b>		<b>(13,522)</b>	<b>(51,302)</b>
<b>Cash flows from financing activities</b>			
Proceeds from capital contribution		600,000	600,000
<b>Net cash flows generated from financing activities</b>			<b>600,000</b>
<b>Net increase in cash and cash equivalents</b>		<b>147,288</b>	<b>72,734</b>
Cash and cash equivalents as at 1 January		141,889	5,545
<b>Cash and cash equivalents as at 30 June</b>		<b>289,177</b>	<b>78,279</b>

Cash and cash equivalents included in the statement of cash flows comprise the following amounts:

	30 June 2017 (Reviewed)	30 June 2016 (Reviewed)
Cash and balances with Qatar Central Bank	56,635	25,375
Current accounts	2,586	2,825
Call accounts	229,956	50,079
<b>Total</b>	<b>289,177</b>	<b>78,279</b>

The attached notes from 1 to 16 form an integral part of these condensed interim financial statements.



## Qatar Development Bank Q.S.C.C.

For the six months ended 30 June 2017

(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

#### 1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Qatar Development Bank (Q.S.C.C.) was established in the State of Qatar as a closed shareholding company under Commercial Registration No.19299. In accordance of the Qatar Commercial Law No. 5 of 2002 and Qatar Central Bank regulations.

The main objective of the Bank is to participate in the economic development process of the State of Qatar, by providing the necessary financing for small and medium size industrial, educational, health, agricultural and touristic projects. The Bank also administers the disbursement of the Government land loan scheme as part of its fiduciary activities.

Qatar Companies Law No. 11 of 2015 (Companies Law) which is applicable to the bank has come into effect from 16 June 2015. The Ministry of Economy and Commerce (MOEC) had extended the transitional period determined for complying with the Companies Law till February 2017. Additionally, the executive regulations necessary to apply the Companies Law have not yet been issued by the MOEC. The bank is currently in communication with the MOEC in order to amend its articles of association to be in compliance with the new Companies Law.

The bank's subsidiaries accounting for lower than 0.5% of the total assets and /or operational results of the bank during the current or previous period are not included in these condensed interim financial statements are listed below.

Name of subsidiary	Country of incorporation	Bank effective shareholding percentage	
		30 June 2017	31 December 2016
Ellan Qatar W.L.L. (Formally known as Q Media W.L.L.)* *	Qatar	100%	100%
Yellow Entertainment Development W.L.L.	Qatar	100%	100%

\*The total assets of Yellow Services L.L.C. (the subsidiary) is not material to the bank assets (less than the threshold determined by the bank) for the period ended 30 June 2017.

\*\*During the year 2014, the ownership of Ellan Qatar W.L.L. ("the Company" or "Ellan Qatar") (formerly known as Q Media W.L.L) was transferred to the Bank on the instruction of Ministry of Finance (MoF) at QR 1. 99.1% of the shares of Ellan Qatar were transferred to QDB directly and 0.9% through its wholly owned company Yellow Services S.P.C. (structured entity established only to acquire Ellan Qatar).

The Company and it's subsidiary is not consolidated in the books of the Bank in accordance with IFRS 10 "Consolidated Financial Statements", as MoF has the right to change the owner without showing any reason as per letter dated 19 October 2014 from the MoF.

The maximum exposure to loss for the Bank is the credit risk in respect of loan amounting to QR 1,196 million provided by the Bank to the Company. However, the Bank's exposure towards the Company is secured through a guarantee issued by the MoF to settle the loan in case of default.

Diplomatic ties and transport links to the State of Qatar were cut off in early June 2017, by a number of members of the Gulf Cooperation Council and certain other countries. It is currently impractical to determine the extent of this impact on the Bank or how and when the blockade may end.

Management believes that due to the nature of the Bank's activities and markets and based on the information currently available, these events are not expected to have a material impact on the financial position, as well as business results and cash flows in the foreseeable future, The management is monitoring the effect of the blockade on its borrowers to assess whether there is a need to increase loan impairment loss provisions, where no such need was determined in the current stage.

# **Qatar Development Bank Q.S.C.C.**

For the six months ended 30 June 2017

*(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)*

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## **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

### **2 BASIS OF PREPARATION**

#### **(a) Statement of compliance**

The condensed interim financial information has been prepared in accordance with IAS 34 – ‘Interim Financial Reporting’ and in conformity with the applicable provisions of the Qatar Central Bank regulations. The condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the Bank’s annual financial statements as at and for the year ended 31 December 2016. In addition, results for the six month ended 30 June 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

#### **(b) Basis of measurement**

The condensed interim financial information has been prepared under the historical cost basis, except for available for sale financial investments which have been measured at fair value.

#### **(c) Functional and presentation currency**

The condensed interim financial information is presented in Qatari Riyals (“QAR”), which is the Bank’s functional currency. Except as otherwise indicated, financial information presented in QAR has been rounded to the nearest thousand.

#### **(d) Use of estimates and judgments**

The preparation of the condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial information are described in note 6 of the annual financial statements for the year ended 31 December 2016.

In preparing the condensed interim financial information, the significant judgements made by the management in applying the Bank’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2016.

### **3 FINANCIAL RISK MANAGEMENT**

The Bank’s financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2016.

### **4 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies used in the preparation of the condensed interim financial information is consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2016.

## **Qatar Development Bank Q.S.C.C.**

For the six months ended 30 June 2017

*(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)*

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

#### **5 NEW STANDARDS AND INTERPRETATIONS**

During the period, the Bank applied the following amendments to standards in the preparation of the condensed interim financial information. None of these amendments had any material impact to the Bank:

*New standards and interpretations are effective for annual periods beginning after 1 January 2017 and not yet adopted by the bank*

IFRS 9, 'Financial instruments' on hedge accounting (Annual periods beginning on or after 1 January 2018). The amendments to IFRS 9 bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements.

IFRS 16, 'leases' (Annual periods beginning on or after 1 January 2019) requires lessees to recognise nearly all leases on the balance sheet which will reflect their right to use an asset for a period of time and the associated liability to pay rentals. The lessor's accounting model largely remains unchanged.

IFRS 15, 'Revenue from contracts with customer' (Annual periods beginning on or after 1 January 2018). The new standard introduces the core principle that revenue must be recognised when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.

#### **6 DUE FROM BANKS**

	<b>30 June 2017 (Reviewed)</b>	31 December 2016 (Audited)
Current accounts	<b>2,586</b>	101
Call accounts	<b>229,956</b>	98,967
Placements	<b>1,389,310</b>	1,307,146
<b>Balance as at</b>	<b>1,621,852</b>	1,406,214

## Qatar Development Bank Q.S.C.C.

For the six months ended 30 June 2017

(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

#### 7 FINANCIAL ASSETS AND LIABILITIES

##### (a) Accounting classifications and fair values

The table below sets out the carrying amounts and fair values of the Bank's financial assets and financial liabilities:

	Loans and receivables	Available-for-sale	Other amortised cost	Total Carrying amount	Fair value
<b>30 June 2017 (Reviewed)</b>					
Cash and balances with central bank	56,635	-	-	56,635	56,635
Due from banks	1,621,852	-	-	1,621,852	1,621,852
Loans and advances to customers	4,435,189	-	-	4,435,189	4,435,189
Investment securities	-	1,692,664	-	1,692,664	1,692,664
Other assets (excluding prepayments and advances)	-	-	169,023	169,023	169,023
	<b>6,113,676</b>	<b>1,692,664</b>	<b>169,023</b>	<b>7,975,363</b>	<b>7,975,363</b>
Due to banks	-	-	-	-	-
Customer's deposit	-	-	54,689	54,689	54,689
Other liabilities (excluding deferred income)	-	-	87,436	87,436	87,436
	-	-	<b>142,125</b>	<b>142,125</b>	<b>142,125</b>
<b>31 December 2016 (Audited)</b>					
Cash and balances with central bank	42,821	-	-	42,821	42,821
Due from banks	1,406,214	-	-	1,406,214	1,406,214
Loans and advances to customers	4,121,446	-	-	4,121,446	4,121,446
Investment securities	-	1,829,168	-	1,829,168	1,829,168
Other assets (excluding prepayments and advances)	-	-	109,323	109,323	109,323
	<b>5,570,481</b>	<b>1,829,168</b>	<b>109,323</b>	<b>7,508,972</b>	<b>7,508,972</b>
Due to banks	-	-	-	-	-
Customer's deposit	-	-	80,817	80,817	80,817
Other liabilities (excluding deferred income)	-	-	98,981	98,981	98,981
	-	-	<b>179,798</b>	<b>179,798</b>	<b>179,798</b>

## **Qatar Development Bank Q.S.C.C.**

For the six months ended 30 June 2017

(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

#### **(b) Financial instruments- carrying amount, fair values and fair value hierarchy**

The Bank 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; 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.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

<b><u>30 June 2017 (Reviewed)</u></b>	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	<b><u>Total</u></b>
Financial assets				
Investment securities	1,671,087	-	21,577	1,692,664
<b><u>31 December 2016 (Audited)</u></b>	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	<b><u>Total</u></b>
Financial assets				
Investment securities	1,795,969	-	33,199	1,829,168

During the six month period ended 30 June 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.

#### **Investment securities - at cost**

At 30 June 2017, certain unquoted financial assets available-for-sale amounting to QR 21,577 (2016: QR 33.2 million) are carried at cost due to non-availability of quoted market prices or other reliable measures of their fair values. Management believes there is no impairment in their values.

## Qatar Development Bank Q.S.C.C.

For the six months ended 30 June 2017

(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

#### 8 LOANS AND ADVANCES TO CUSTOMERS

	30 June 2017 (Reviewed)	31 December 2016 (Audited)
Conventional banking loans and advances	979,514	1,029,898
<b>Islamic financing activities</b>		
Murabaha	2,215,574	2,009,451
Istisna'a	43,112	39,356
Ijarah	1,883,271	1,627,063
	4,141,957	3,675,870
Deferred income on Islamic finances	(184,113)	(163,075)
	3,957,844	3,512,795
<b>Net financing activities</b>	<b>4,937,358</b>	4,542,693
Specific impairment on loans and advances to customers	(399,453)	(346,247)
Collective impairment on loans and advances to customers	(102,716)	(75,000)
<b>Net loan and advances and financing activities</b>	<b>4,435,189</b>	4,121,446

(a) All loans and advances are to corporate customers and small and medium sized entities located in the State of Qatar.

(b) The movement in the allowance for impairment of loans and advances is as follows:

	30 June 2017 (Reviewed)	30 June 2016 (Reviewed)
At 1 January	421,247	312,222
Charge for the period (net)	79,284	49,639
Movement in Interest in suspense	1,638	(2,559)
<b>As at</b>	<b>502,169</b>	359,302

(c) Net impairment during the period

	For the six month period ended 30 June	
	2017	2016
Loans and advances (net of recoveries)	79,284	49,639
Other receivables	-	6,665
	79,284	56,304

## Qatar Development Bank Q.S.C.C.

For the six months ended 30 June 2017

(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

#### 9 INVESTMENT SECURITIES

	30 June 2017 (Reviewed)			31 December 2016 (Audited)		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
<b>Available for sale investments</b>						
<i>a) By type</i>						
Equity securities measured at fair value	399,211	-	399,211	627,609	-	627,609
Equity securities measured at cost	-	1,820	1,820	-	15,112	15,112
State of Qatar Bonds	325,870	-	325,870	617,041	-	617,041
Other debt securities	946,006	-	946,006	551,319	-	551,319
Investment funds		19,757	19,757		18,087	18,087
<b>Total</b>	<b>1,671,087</b>	<b>21,577</b>	<b>1,692,664</b>	<b>1,795,969</b>	<b>33,199</b>	<b>1,829,168</b>

The State of Qatar Bonds and other debt securities financial assets amounting to QR 325.87 million and QR 946.01 million respectively (2016: QR 617.041 million and QR 551.319 million) represent investments in fixed rate securities. There are no investments in floating rate securities as at 30 June 2017.

Impairment loss of QR 19.26 on investments was recognised during the period ended 30 June 2017 (2016: QR 17.61 million).

#### 10 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	30 June 2017 (Reviewed)	30 June 2016 (Reviewed)
Balance at 1 January	22,879	23,422
Investments acquired during the period	-	420
Share of results	(5,269)	(7,085)
Impaired during the period	-	(420)
<b>Balance as at</b>	<b>17,610</b>	<b>16,337</b>

#### 11 OTHER ASSETS

	30 June 2017 (Reviewed)	31 December 2016 (Audited)
Accrued interest receivable	75,823	49,439
Prepayments	5,710	8,829
Staff furniture allowance	21,674	22,246
Other receivables (a)	71,527	37,638
<b>Balance as at</b>	<b>174,734</b>	<b>118,152</b>

(a) Other receivables include receivable from Qatar Business Incubator (joint venture) amounting to QR 49.685 (2016: Qatar Business Incubator amounting to QR 33 million).

## Qatar Development Bank Q.S.C.C.

For the six months ended 30 June 2017

(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

#### 12 OTHER LIABILITIES

	30 June 2017 (Reviewed)	31 December 2016 (Audited)
Deferred income	67,962	69,655
Accruals	12,902	23,583
Accounts payable	61,931	70,870
Board and committee's remuneration payable	1,575	3,150
Charity payable	1,366	971
Other payables	15,039	407
<b>Balance as at</b>	<b>160,775</b>	<b>168,636</b>

#### 13 EQUITY

##### Share capital

The authorised capital of the Bank amounts to QR 12,000 million (2016: QR 12,000 million) consisting of 1,200 million shares of QR 10 each. The Government of the State of Qatar is the ultimate parent and controlling party of the Bank.

During the period, the Bank has received 600 million million (for June 2016: QR 600 million) from the Ministry of Finance as a contribution towards the authorised capital.

#### 14 STAFF AND OTHER EXPENSES

	Six months ended 30 June	
	2017 (Reviewed)	2016 (Reviewed)
Staff costs	105,250	90,422
Other expenses	46,387	50,613
	<b>151,637</b>	<b>141,035</b>

#### 15 CONTINGENT LIABILITIES AND COMMITMENTS

	30 June 2017 (Reviewed)	31 December 2016 (Reviewed)
Al-Tasdeer	11,917	28,871
Al- Dahmeen	814,307	783,320
Letters of guarantee	244,315	283,752
Letters of credit	213,549	225,271
Unutilised credit facilities	2,246,108	2,272,304
	<b>3,530,196</b>	<b>3,593,518</b>



## Qatar Development Bank Q.S.C.C.

For the six months ended 30 June 2017

(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

#### 16 RELATED PARTY DISCLOSURES

The Bank enters into transactions with major shareholder, directors and key management personnel of the Bank, and entities controlled, jointly controlled, or significantly influenced by such parties. All the loans and advances and financing activities to related parties are given at market rates.

The period / year end balances as at and for the period / year ended in respect of related parties included in the financial statements are as follows:

	As at 30 June 2017			
	Government of State of Qatar	Associate	Joint Ventures	Entites under common controls
<b>(a) Statement of financial position (Reviewed)</b>				
Financial investments	325,870	-	-	-
Other receivable	-	-	49,685	-
Investments in associates and joint ventures	-	2,070	5,618	-
Gross amount of loans and advances	-	8,359	-	1,343,326
Specific impairment on advances to customers	-	8,359	-	-
<b>Six months ended 30 June 2017</b>				
<b>(b) Statement of comprehensive income (Reviewed)</b>				
Interest on the State of Qatar bonds	14,552	-	-	-
Net impairment loss on loans and advances to customers	-	-	-	-

## Qatar Development Bank Q.S.C.C.

For the six months ended 30 June 2017

(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

	31 December 2016			
	Government of State of Qatar	Associate	Joint Ventures	Entities under common control
<b>(a) Statement of financial position (Audited)</b>				
Financial investments	617,041	-	-	-
Other receivable	-	-	33,250	-
Investments in associates and joint ventures	-	2,170	10,887	-
Gross amount of loans and advances	-	10,982	-	1,300,265
Specific impairment on advances to customers	-	10,982	-	-

	Six months ended 30 June 2016			
	Government of State of Qatar	Associate	Joint Ventures	Entities under common control
<b>(b) Statement of comprehensive income (Reviewed)</b>				
Interest on the State of Qatar bonds	16,158	-	-	-
-Net impairment loss on loans and advances to customers	-	-	-	-