



CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

30 JUNE 2014

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CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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Independent auditors' report on review of condensed consolidated interim financial information to the Board of Directors of the Bank

Introduction

We have reviewed the accompanying 30 June 2014 condensed consolidated interim financial information of Commercial Bank of Qatar Q.S.C. ("the Bank") and its subsidiaries (together "the Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 June 2014;
- the condensed consolidated income statements for the three months and six months ended 30 June 2014;
- the condensed consolidated statements of comprehensive income for the three months and six months ended 30 June 2014;
- the condensed consolidated statement of changes in equity for the six months ended 30 June 2014;
- the condensed consolidated statement of cash flows for the six months ended 30 June 2014; and
- notes to the condensed consolidated interim financial information.

The Board of Directors of the Bank is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting' and applicable provisions of the Qatar Central Bank regulations. Our responsibility is to express a conclusion on these condensed consolidated interim financial information 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 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 30 June 2014 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' and applicable provisions of the Qatar Central Bank regulations.

23 July 2014
Doha
State of Qatar

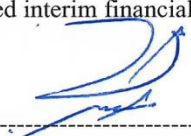

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KPMG
Qatar Auditors Registry Number 251

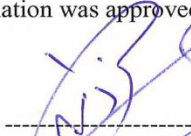
**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2014**

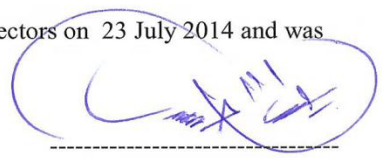
QAR '000s

	Notes	30-Jun-14 Reviewed	30-Jun-13 Reviewed	31-Dec-13 Audited
ASSETS				
Cash and balances with central bank		6,063,504	4,367,262	6,902,547
Due from banks		12,417,308	10,884,975	15,177,969
Loans and advances to customers	5	69,391,384	52,018,168	66,862,544
Investment securities	6	14,920,572	10,847,466	14,706,294
Investment in associates	7	4,271,387	4,016,041	4,198,469
Property and equipment	8	1,302,928	1,189,268	1,283,186
Intangible assests		960,519	-	996,486
Other assets		3,061,113	2,113,741	2,984,370
TOTAL ASSETS		112,388,715	85,436,921	113,111,865
LIABILITIES				
Due to banks	9	9,327,811	10,357,274	12,599,210
Customers' deposits	10	59,837,858	46,900,526	63,419,931
Debt securities	11	12,402,095	8,676,503	9,759,667
Other borrowings	12	9,703,064	3,473,862	7,345,717
Other liabilities		3,936,377	1,898,493	3,432,245
TOTAL LIABILITIES		95,207,205	71,306,658	96,556,770
EQUITY				
Share capital	13	2,969,356	2,474,464	2,474,464
Legal reserve		8,820,294	8,740,540	8,820,259
General reserve		26,500	26,500	26,500
Risk reserve		1,323,700	1,271,300	1,316,300
Fair value reserves		105,071	(185,112)	(146,525)
Foreign currency translation reserve		(243,711)	-	(232,988)
Other reserves		910,428	657,300	835,840
Other equity		(707,398)	-	(512,761)
Retained earnings		1,273,807	1,145,271	1,381,870
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK		14,478,047	14,130,263	13,962,959
Non-controlling interests		703,463	-	592,136
Instrument eligible for additional capital		2,000,000	-	2,000,000
TOTAL EQUITY		17,181,510	14,130,263	16,555,095
TOTAL LIABILITIES AND EQUITY		112,388,715	85,436,921	113,111,865

The condensed consolidated interim financial information was approved by the Board of Directors on 23 July 2014 and was signed on its behalf by:


 Sheikh Abdullah Bin Ali Bin Jabor Al Thani
 Chairman


 Mr. Hussain Ibrahim Alfardan
 Vice Chairman & Managing Director


 Mr. Abdulla S. Al Raisi
 Chief Executive Officer

The attached notes 1 to 20 form an integral part of this condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2014**

QAR '000s

	Note	Three months ended		Six months ended	
		30-Jun-14 Reviewed	30-Jun-13 Reviewed	30-Jun-14 Reviewed	30-Jun-13 Reviewed
Interest income		1,180,093	719,667	2,304,923	1,423,663
Interest expense		(527,407)	(259,830)	(1,031,463)	(510,032)
Net interest income		652,686	459,837	1,273,460	913,631
Fee and commission income		361,987	202,152	638,077	397,863
Fee and commission expense		(90,993)	(37,117)	(155,579)	(69,831)
Net fee and commission income		270,994	165,035	482,498	328,032
Net foreign exchange gain		24,274	39,860	66,488	79,177
Income from investment securities		83,849	125,515	104,370	201,049
Other operating income		27,874	55,219	68,608	76,088
Net operating income		1,059,677	845,466	1,995,424	1,597,977
Staff costs		(212,244)	(134,344)	(427,925)	(264,478)
Depreciation		(38,670)	(32,214)	(76,558)	(65,328)
Amortization of intangible assets		(17,527)	-	(35,054)	-
Impairment loss on investment securities		(20,668)	(10,722)	(29,112)	(20,749)
Net impairment loss on loans and advances to customers		(206,453)	(134,447)	(257,289)	(193,908)
Other provisions		-	(3,000)	-	(3,000)
Other expenses		(152,988)	(92,240)	(288,798)	(173,007)
Profit before share of results of associates		411,127	438,499	880,688	877,507
Share of results of associates		101,834	79,720	193,504	146,393
Profit before tax		512,961	518,219	1,074,192	1,023,900
Income tax expenses		(10,868)	-	(23,643)	-
Profit for the period		502,093	518,219	1,050,549	1,023,900
Attributable to:					
Equity holders of the Bank		489,776	518,219	1,023,711	1,023,900
Non controlling interests		12,317	-	26,838	-
Profit for the period		502,093	518,219	1,050,549	1,023,900
Earnings per share					
Basic/diluted earnings per share (QAR per share)	15	1.65	1.75	3.45	3.45

The attached notes 1 to 20 form an integral part of this condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2014**

QAR '000s

	Three months ended		Six months ended	
	30-Jun-14 Reviewed	30-Jun-13 Reviewed	30-Jun-14 Reviewed	30-Jun-13 Reviewed
Profit for the period	<u>502,093</u>	<u>518,219</u>	<u>1,050,549</u>	<u>1,023,900</u>
Other comprehensive income for the period: Items that are, or may subsequently be, reclassified to profit or loss:				
Foreign currency translation differences for foreign operation	29,767	-	(14,442)	-
Share of other comprehensive income of investment in associates	(2,802)	(20,490)	5,831	(21,812)
Cash flow hedges:				
Net change in fair value of cash flow hedge	-	(64,979)	-	(64,979)
Net movement in fair value of available-for-sale investments:				
- Change in fair value	141,324	(180,323)	271,777	(204,158)
- Amount transferred to profit and loss	(7,352)	(23,707)	(26,013)	(57,388)
Other comprehensive income for the period	<u>160,937</u>	<u>(289,499)</u>	<u>237,153</u>	<u>(348,337)</u>
Total comprehensive income for the period	<u>663,030</u>	<u>228,720</u>	<u>1,287,702</u>	<u>675,563</u>
Attributable to:				
Equity holders of the bank	643,045	228,720	1,264,584	675,563
Non-Controlling Interests	19,985	-	23,118	-
Total comprehensive income for the period	<u>663,030</u>	<u>228,720</u>	<u>1,287,702</u>	<u>675,563</u>

The attached notes 1 to 20 form an integral part of this condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2014**

QAR '000s

Notes	Share capital	Legal reserve	General reserve	Risk reserve	Fair value reserves	Foreign currency translation reserve	Other reserves	Other equity	Retained earnings	Total equity attributable to equity holders of the Bank	Non-controlling Interests	Instrument eligible for additional capital	Total equity
Balance as at 1 January 2014	2,474,464	8,820,259	26,500	1,316,300	(146,525)	(232,988)	835,840	(512,761)	1,381,870	13,962,959	592,136	2,000,000	16,555,095
Total comprehensive income for the period													
Profit for the period	-	-	-	-	-	-	-	-	1,023,711	1,023,711	26,838	-	1,050,549
Other comprehensive income	-	-	-	-	251,596	(10,723)	-	-	-	240,873	(3,720)	-	237,153
Total comprehensive income for the period					251,596	(10,723)			1,023,711	1,264,584	23,118		1,287,702
Transfer to risk reserve	-	-	-	7,400	-	-	-	-	(7,400)				
Dividend for Instrument eligible for additional capital	-	-	-	-	-	-	-	-	(60,000)	(60,000)	-	-	(60,000)
Net movement in other reserves	-	-	-	-	-	-	74,588	-	(74,588)	-	-	-	-
Transactions with equity holders, recognised directly in equity													
Contributions by and distributions to equity holders:													
Increase in share capital	-	-	-	-	-	-	-	-	-	-	88,209	-	88,209
Increase in legal reserve	-	35	-	-	-	-	-	-	-	35	-	-	35
Dividend for the year 2013	-	-	-	-	-	-	-	-	(494,894)	(494,894)	-	-	(494,894)
Bonus share issue	494,892	-	-	-	-	-	-	-	(494,892)	-	-	-	-
Put option on Non-controlling interest	-	-	-	-	-	-	-	(194,637)	-	(194,637)	-	-	(194,637)
Net movement in Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to equity holders	494,892	35	-	-	-	-	-	(194,637)	(989,786)	(689,496)	88,209	-	(601,287)
Balance as at 30 June 2014	2,969,356	8,820,294	26,500	1,323,700	105,071	(243,711)	910,428	(707,398)	1,273,807	14,478,047	703,463	2,000,000	17,181,510

The attached notes 1 to 20 form an integral part of this condensed consolidated interim financial information

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2014**

QAR '000s

Notes	Share capital	Legal reserve	General reserve	Risk reserve	Fair value reserves	Foreign currency translation reserve	Other reserves	Other equity	Retained earnings	Total equity attributable to equity holders of the Bank	Non-controlling Interests	Instrument eligible for additional capital	Total equity
Balance as at 1 January 2013	2,474,464	8,740,540	26,500	924,600	163,225	-	673,604	-	1,936,445	14,939,378	-	-	14,939,378
Total comprehensive income for the period													
Profit for the period	-	-	-	-	-	-	-	-	1,023,900	1,023,900	-	-	1,023,900
Other comprehensive loss	-	-	-	-	(348,337)	-	-	-	-	(348,337)	-	-	(348,337)
Total comprehensive income for the period					(348,337)	-	-	-	1,023,900	675,563	-	-	675,563
Transfer to risk reserve	-	-	-	346,700	-	-	-	-	(346,700)	-	-	-	-
Dividend for Instrument eligible for additional capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Net movement in other reserves	-	-	-	-	-	-	(16,304)	-	16,304	-	-	-	-
Transactions with equity holders, recognised directly in equity													
Contributions by and distributions to equity holders:													
Increase in share capital													
Increase in legal reserve													
Dividend for the year 2012	14								(1,484,678)	(1,484,678)			(1,484,678)
Bonus share issue									-	-			-
Put option on Non-controlling interest									-	-			-
Net movement in Non-controlling interests													
Total contributions by and distributions to equity holders	-	-	-	-	-	-	-	-	(1,484,678)	(1,484,678)	-	-	(1,484,678)
Balance as at 30 June 2013	2,474,464	8,740,540	26,500	1,271,300	(185,112)	-	657,300	-	1,145,271	14,130,263	-	-	14,130,263

The attached notes 1 to 20 form an integral part of this condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2014**

QAR '000s

	30-Jun-14 Reviewed	Six months ended 30-Jun-13 Reviewed	Year ended 31-Dec-13 Audited
Cash flows from operating activities			
Profit for the period/year before income tax	1,074,192	1,023,900	1,607,758
<i>Adjustments for:</i>			
Net impairment loss on loans and advances to customers	257,289	193,908	603,967
Impairment loss on investment securities	29,112	20,749	109,937
Other provisions	-	3,000	-
Depreciation	76,558	65,328	140,473
Amortization of intangible assets	35,054	-	3,252
Amortization of transaction costs for borrowings	12,998	10,840	21,742
Gain/loss on investment securities at fair value through profit or loss	10,474	(1,212)	2,770
Net gain on disposal of available-for-sale securities	(103,567)	(187,754)	(193,450)
Gain on disposal of other assets	-	(31,944)	(31,944)
Share of results of associates	(193,504)	(146,393)	(324,933)
Operating profit before working capital changes	<u>1,198,606</u>	<u>950,422</u>	<u>1,939,572</u>
Working capital changes			
Change in due from banks	193,788	(269,565)	(1,943,821)
Change in loans and advances to customers	(2,773,812)	(3,617,601)	(8,833,156)
Change in other assets	(72,706)	(420,421)	(1,096,323)
Change in due to banks	(1,988,571)	(1,118,694)	117,653
Change in customer deposits	(3,571,830)	5,514,980	14,879,996
Change in other liabilities	379,665	204,006	681,774
Contribution to social and sports activities support fund	(40,135)	(50,307)	(50,307)
Cash from operations	<u>(7,873,601)</u>	<u>242,398</u>	<u>5,695,388</u>
Income tax paid	(15,424)	-	(130)
Net cash from operating activities	<u>(6,690,419)</u>	<u>1,192,820</u>	<u>5,695,258</u>
Cash flows from investing activities			
Acquisition of investment securities	(7,861,576)	(4,303,855)	(9,949,548)
Dividend received from associates	118,916	162,697	162,697
Acquisition of a subsidiary, net of cash acquired	-	-	(1,112,787)
Proceeds from sale/maturity of investment securities	7,891,965	4,522,239	8,781,890
Acquisition of property and equipment	(97,161)	(57,527)	(187,790)
Proceeds from the sale of property and equipment	-	-	-
Proceeds from the sale of other assets	-	151,000	151,000
Net cash from/(used in) investing activities	<u>52,144</u>	<u>474,554</u>	<u>(2,154,538)</u>
Cash flows from financing activities			
Proceeds from issue of debt securities	2,710,535	-	515,870
Repayment of debt securities	(85,282)	-	(563,265)
Repayment of other borrowings	(2,115,415)	-	(2,407,427)
Proceeds from other borrowings	4,493,255	-	4,014,764
Proceeds from issue of instrument eligible for add capital	-	-	2,000,000
Dividends paid	(494,893)	(1,484,678)	(1,492,488)
Net cash from/(used in) financing activities	<u>4,508,200</u>	<u>(1,484,678)</u>	<u>2,067,454</u>
Net increase (decrease) in cash and cash equivalents	<u>(2,130,075)</u>	<u>182,696</u>	<u>5,608,174</u>
Effect of exchange rate fluctuation	(28,648)	-	(100,337)
Cash and cash equivalents as at 1 January	<u>6,211,302</u>	<u>703,465</u>	<u>703,465</u>
Cash and cash equivalents at the end of the period/year (note 17)	<u>4,052,579</u>	<u>886,161</u>	<u>6,211,302</u>
Operational cash flows from interest and dividend:			
Interest paid	547,081	507,254	1,173,089
Interest received	1,659,244	1,361,684	3,053,973
Dividend received	11,277	12,083	18,854

The attached notes 1 to 20 form an integral part of this condensed consolidated interim financial information.

1. REPORTING ENTITY

The Commercial Bank of Qatar (Q.S.C.) (“the Bank”) is an entity domiciled in the State of Qatar and was incorporated in 1974 as a public shareholding company under Emiri Decree No.73 of 1974. The commercial registration of the Bank is 150. The address of the Bank’s registered office is PO Box 3232, Doha, State of Qatar. The condensed consolidated interim financial information of the Bank comprises the Bank and its subsidiaries (together referred to as “the Group”). The Group is primarily engaged in conventional banking, brokerage services and the credit card business and operates through its head office, branches and subsidiaries.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The condensed consolidated interim financial information has been prepared in accordance with IAS 34, Interim Financial Reporting and the applicable provisions of Qatar Central Bank (“QCB”) regulations.

The condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at and for the year ended 31 December 2013. The results for the six months ended 30 June 2014 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2014.

(b) Estimates and judgements

The preparation of condensed consolidated 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.

In preparing the condensed consolidated interim financial information, significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2013.

(c) Financial risk management

The Group’s financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2013.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of the condensed consolidated interim financial information are the same as those followed in the preparation of the Group’s consolidated financial statements as at and for the year ended 31 December 2013, except as noted below:

During the period, the Group has adopted the following standards effective for the annual period beginning on or after 1 January 2014. The new standards do not have any material impact to the Group.

- Amendments to IAS 19R: Employee Benefits
- Amendments to IAS 32 on setting financial assets and financial liabilities (2011)
- Novation of Derivatives and Continuation of Hedge Accounting (2013)
- Investment Entites(Amendments to IFRS 10 and IFRS 12)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
30 JUNE 2014

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4. SEGMENT INFORMATION

Segment assets and liabilities comprise operating assets and liabilities which are directly handled by the operating segment and income or expenses are attributed with the assets and liabilities' ownership. The following table summarizes performance of the operating segments:

30 June 2014	Commercial Bank			Subsidiaries			Total
	Wholesale Banking	Retail Banking	Total Commercial Bank	ABank	Others	Unallocated	
Net interest income	627,397	341,500	968,897	305,491	1,575	(2,503)	1,273,460
Net fee, commission and other income	392,383	161,874	554,257	128,226	11,596	27,885	721,964
Segmental revenue	<u>1,019,780</u>	<u>503,374</u>	<u>1,523,154</u>	<u>433,717</u>	<u>13,171</u>	<u>25,382</u>	<u>1,995,424</u>
Impairment loss on investment securities	<u>(29,112)</u>	<u>-</u>	<u>(29,112)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29,112)</u>
Net impairment loss on loans and advances to customers	<u>(150,558)</u>	<u>(32,113)</u>	<u>(182,671)</u>	<u>(73,532)</u>	<u>(1,086)</u>	<u>-</u>	<u>(257,289)</u>
Segmental profit			<u>790,072</u>	<u>103,809</u>	<u>6,422</u>	<u>(43,258)</u>	<u>857,045</u>
Share of results of associates							<u>193,504</u>
Net profit for the year							<u>1,050,549</u>
Other information							
Assets	67,333,091	17,024,944	84,358,035	19,349,404	459,069	3,950,820	108,117,328
Investments in associates	-	-	-	-	-	-	4,271,387
Liabilities	62,302,255	14,034,291	76,336,546	17,840,815	327,802	702,042	95,207,205
Contingent items	32,727,676	895,749	33,623,425	-	-	-	33,623,425

Intra-group transactions are eliminated from this segmental information (Assets: QAR 1,869 million, Liabilities: QAR 713million)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
30 JUNE 2014

QAR '000s

4. SEGMENT INFORMATION (Continued)

30 June 2013	Commercial Bank			Subsidiaries			
	Wholesale Banking	Retail Banking	Total Commercial Bank	ABank	Others	Unallocated	Total
Net interest income	609,444	304,786	914,230	-	1,236	(1,835)	913,631
Net fee, commission and other income	516,043	140,834	656,877	-	4,169	23,300	684,346
Segmental revenue	1,125,487	445,620	1,571,107	-	5,405	21,465	1,597,977
Impairment loss on investment securities	(20,749)	-	(20,749)	-	-	-	(20,749)
Net impairment loss on loans and advances to customers	(179,780)	(12,957)	(192,737)	-	(1,171)	-	(193,908)
Other Provisions	-	-	-	-	-	(3,000)	(3,000)
Segmental profit			880,228	-	(4,601)	1,880	877,507
Share of results of associates							146,393
Net profit for the year							1,023,900
Other information							
Assets	65,077,625	13,424,801	78,502,426	-	390,330	2,528,124	81,420,880
Investments in associates	-	-	-	-	-	-	4,016,041
Liabilities	58,765,241	12,129,592	70,894,833	-	209,616	202,209	71,306,658
Contingent items	25,616,373	941,449	26,557,822	-	-	-	26,557,822

Intra-group transactions are eliminated from this segmental information (Assets: QAR 546 million, Liabilities: QAR 374 million)

The segment result of Abank has not shown because Abank was acquired in Q3 2013.

5. LOANS AND ADVANCES TO CUSTOMERS

Loans and advances to customers comprises:

	30-Jun-14	30-Jun-13	31-Dec-13
	Reviewed	Reviewed	Audited
Loans	67,146,520	50,287,831	65,531,930
Overdrafts	3,433,594	2,060,148	2,288,460
Bills discounted	303,289	256,902	302,626
Bankers acceptances	401,881	362,031	397,061
	71,285,284	52,966,912	68,520,077
Deferred profit	(60,276)	(102,825)	(85,652)
Specific impairment of loans and advances to customers	(1,287,608)	(517,291)	(1,072,298)
Collective impairment allowance	(546,016)	(328,628)	(499,583)
Net loans and advances to customers	69,391,384	52,018,168	66,862,544

The aggregate amount of non-performing loans and advances to customers at 30 June 2014 amounted to QAR2,723 million which represents 3.82% of total loans and advances to customers (30 June 2013: QAR 1,843 million, 3.49% of total loans and advances to customers; 31 December 2013: QAR 2,496 million, 3.65% of total loans and advances to customers).

Allowance for impairment includes QAR 240 million of interest in suspense (30 June 2013: QAR 124 million; 31 December 2013: QAR 173 million).

6. INVESTMENT SECURITIES

Investment securities comprise the following:

	30-Jun-14	30-Jun-13	31-Dec-13
	Reviewed	Reviewed	Audited
Available-for-sale	14,720,539	10,789,131	14,518,201
Investment securities designated at fair value through income statement	200,033	58,335	188,093
Total	14,920,572	10,847,466	14,706,294

The carrying value of investment securities pledged under Repurchase agreements (REPO) is QAR 3,007 million (30 June 2013: QAR 754 million; 31 December 2013: QAR 4,842 million).

7. INVESTMENT IN ASSOCIATES

The Group's investment in associates are as follows:

Associate entity	Country of incorporation	Carrying Value and % of interest held					
		30-Jun-14		30-Jun-13		31-Dec-13	
		Reviewed	%	Reviewed	%	Audited	%
a) National Bank of Oman SAOG	Oman	1,698,480	34.9%	1,602,513	34.9%	1,676,582	34.9%
b) United Arab Bank PJSC	UAE	2,566,715	40.0%	2,398,522	40.0%	2,504,711	40.0%
c) Asteco Qatar L.L.C.	Qatar	1,510	30.0%	1,913	30.0%	1,687	30.0%
d) Gekko L.L.C.	Qatar	-	50.0%	-	50.0%	-	50.0%
e) Massoun Insurance Services L.L.C.	Qatar	4,682	50.0%	13,093	50.0%	15,489	50.0%
Balance at the end of the period/year		<u>4,271,387</u>		<u>4,016,041</u>		<u>4,198,469</u>	

Gekko L.L.C has been liquidated in Q2 2014.

8. PROPERTY AND EQUIPMENT

Acquisitions and disposals

During the six months ended 30 June 2014, the Group acquired assets with a cost of QAR 97 million (30 June 2013: QAR 58 million; year ended 31 December 2013: QAR 361 million).

There were no disposals made by the Group during the six months ended 30 June 2014 and 30 June 2013 and during the year ended 31 December 2013.

9. DUE TO BANKS

	30-Jun-14 Reviewed	30-Jun-13 Reviewed	31-Dec-13 Audited
Balances due to central banks	218,400	16,380	72,801
Current accounts	1,667,373	525,767	354,727
Placements with banks	4,567,080	9,203,458	7,762,710
Repurchase agreements with banks	2,874,958	611,669	4,408,972
Total	<u>9,327,811</u>	<u>10,357,274</u>	<u>12,599,210</u>

10. CUSTOMERS' DEPOSITS

	30-Jun-14 Reviewed	30-Jun-13 Reviewed	31-Dec-13 Audited
Current and call deposits	16,160,281	15,585,167	15,463,734
Saving deposits	9,142,607	3,741,679	3,754,381
Time deposits	34,534,970	27,573,680	44,201,816
Total	<u>59,837,858</u>	<u>46,900,526</u>	<u>63,419,931</u>

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11. DEBT SECURITIES

	30-Jun-14	30-Jun-13	31-Dec-13
	Reviewed	Reviewed	Audited
EMTN Programme – Senior Notes	4,514,290	1,798,492	1,801,099
Senior Notes	4,037,968	3,627,611	4,120,453
Subordinated Notes	2,691,302	2,157,512	2,695,444
CHF Fixed Rate Bonds	1,158,535	1,092,888	1,142,671
Total	12,402,095	8,676,503	9,759,667

The table below shows the maturity profile of debt securities:

	30-Jun-14	30-Jun-13	31-Dec-13
	Reviewed	Reviewed	Audited
Up to 1 year	3,960,399	-	4,034,434
Between 1 and 3 years	3,039,860	4,720,499	1,228,691
Over 3 years	5,401,836	3,956,004	4,496,542
Total	12,402,095	8,676,503	9,759,667

12. OTHER BORROWINGS

	30-Jun-14	30-Jun-13	31-Dec-13
	Reviewed	Reviewed	Audited
Bilateral loans	6,077,581	1,819,322	1,455,945
Syndicate loans	3,625,483	-	-
Club loan	-	1,654,540	1,655,959
Others	-	-	4,233,813
Total	9,703,064	3,473,862	7,345,717

The table below shows the maturity profile of other borrowings:

	30-Jun-14	30-Jun-13	31-Dec-13
	Reviewed	Reviewed	Audited
Up to 1 year	3,773,128	3,473,862	6,234,715
Between 1 and 3 years	5,135,257	-	516,162
Over 3 years	794,679	-	594,840
Total	9,703,064	3,473,862	7,345,717

13. SHARE CAPITAL

	30-Jun-14	30-Jun-13	31-Dec-13
	Reviewed	Reviewed	Audited
Number of shares (Nominal value of ordinary shares QAR 10 each)	<u>296,935,646</u>	<u>247,446,372</u>	<u>247,446,372</u>
Issued and paid up capital (in thousands of Qatar Riyals)	<u>2,969,356</u>	<u>2,474,464</u>	<u>2,474,464</u>

14. PROPOSED DIVIDEND

A cash dividend of 20% (or QAR 2 per share) relating to the year ended 31 December 2013 (2012: QAR 6 per share), amounting to QAR 495 million (2012: QAR 1,485 million) and a bonus share of 20% of the bank's capital as at 31 December 2013 (2012: nil) was approved for distribution to shareholders at the Annual General Assembly held on 16 March 2014.

15. EARNINGS PER SHARE

Earnings per share of the Bank is calculated by dividing profit for the period attributable to the equity holders of the Bank by the weighted average number of ordinary shares in issue during the period:

	Three months ended		Six months ended	
	30-Jun-14 Reviewed	30-Jun-13 Reviewed	30-Jun-14 Reviewed	30-Jun-13 Reviewed
Basic and diluted				
Net profit for the period in thousand QAR	489,776	518,219	1,023,711	1,023,900
Weighted average number of outstanding shares in thousands	296,935	296,935	296,935	296,935
Basic/diluted earnings per share (QAR)	1.65	1.75	3.45	3.45

The weighted average number of shares in thousands have been calculated as follows:

	Three months ended		Six months ended	
	30-Jun-14 Reviewed	30-Jun-13 Reviewed	30-Jun-14 Reviewed	30-Jun-13 Reviewed
Qualifying shares at the beginning of the period	296,935	296,935	296,935	296,935
Weighted average number of shares for the period	296,935	296,935	296,935	296,935

16. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

	30-Jun-13 Reviewed	30-Jun-13 Reviewed	31-Dec-13 Audited
a) Contingent liabilities			
Unused facilities	8,598,619	6,958,106	7,980,374
Guarantees	21,110,367	14,954,411	18,569,021
Letters of credit	3,914,439	4,645,305	5,408,175
Total	33,623,425	26,557,822	31,957,570
b) Other commitments			
Forward foreign exchange contracts and derivatives at notional value	23,496,497	8,718,439	33,744,712
Capital commitments	411,311	568,224	488,504
Total	23,907,808	9,286,663	34,233,216

17. CASH AND CASH EQUIVALENTS

	30-Jun-14 Reviewed	30-Jun-13 Reviewed	31-Dec-13 Audited
Cash and balances with Central Bank *	1,572,997	1,964,222	2,974,770
Due from banks up to 90 days	9,368,027	8,649,345	11,889,904
Due to banks up to 90 days	(6,888,445)	(9,727,406)	(8,653,372)
	4,052,579	886,161	6,211,302

*Cash and balances with Central Bank do not include the mandatory cash reserve.

18. VALUATION OF FINANCIAL INSTRUMENTS

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	<u>Level 1</u>	<u>Level 2</u>	<u>Carrying amount</u>
30 June 2014			
Derivative assets	-	404,281	404,281
Investment securities	3,073,985	11,543,336	14,920,572
	<u>3,073,985</u>	<u>11,947,617</u>	<u>15,324,853</u>
Derivative liabilities	-	264,475	264,475
	<u>-</u>	<u>264,475</u>	<u>264,475</u>
 31 Dec 2013			
Derivative assets	-	580,176	580,176
Investment securities	3,465,706	10,896,990	14,706,294
	<u>3,465,706</u>	<u>11,477,166</u>	<u>15,286,470</u>
Derivative liabilities	-	387,143	387,143
	<u>-</u>	<u>387,143</u>	<u>387,143</u>

All unquoted available for sale equities and investment funds are recorded at fair value except for investments with a carrying value of QAR 303 million (31 December 2013: QAR 344 million), which are recorded at cost since their fair value cannot be reliably estimated.

19. RELATED PARTY DISCLOSURE

The Group carries out various transactions with subsidiaries and associate companies and with members of the Board of Directors, the executive management or companies in which they have significant interest or any other parties of important influence in the Group's financial or operations decisions. The balances at the reporting date with these accounts were as follows:

	30-Jun-14	30-Jun-13	31-Dec-13
	Reviewed	Reviewed	Audited
Board members			
- Loans, advances and financing activities (a)	1,475,256	2,134,409	2,143,286
- Deposits	323,738	443,378	416,133
- Contingent liabilities and other commitments	14,380	40,585	33,481
- Interest and fee income	5,188	9,488	13,560
- Interest paid on deposits accounts of board members	5,775	4,760	10,306
- Remuneration, meeting attendance fees and salaries paid to board members	1,190	3,100	23,850
Associated companies			
- Associates' deposits with the Group	23,484	186,890	509,435
- Bank's deposits with the associates	251,389	202,096	364,729
- Associates contingent liabilities to the Group	759,383	309,363	757,877
- Interest income earned from Associates	1,042	447	776
- Interest income incurred to Associates	182	185	357
Senior management compensation/Transaction			
- Fixed remuneration and other benefits	50,095	37,240	91,929
- Loans and advances (b)	18,830	23,188	20,820

(a) A significant portion of the loans, advances and financing activities' balance at 30 June 2014 with the members of the Board and the companies in which they have significant influence are secured against tangible collateral or personal guarantees. Moreover, the loans, advances and financing activities' are performing satisfactorily with all obligations honoured as arranged.

(b) No impairment losses have been recorded against balances outstanding during the period with senior management, and no specific allowance has been made for impairment losses on balances with senior management at the period end.

20. COMPARATIVES

The comparative figures have been reclassified where necessary to preserve consistency with the current period. However, such reclassification did not have any effect on the consolidated net profit or the total consolidated equity for the comparative period.