



CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
31 MARCH 2015

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Independent auditors' report on review of condensed consolidated interim financial information to the Board of Directors of Commercial Bank of Qatar Q.S.C.

Introduction

We have reviewed the accompanying 31 March 2015 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 31 March 2015;
- the condensed consolidated income statement for the three months ended 31 March 2015;
- the condensed consolidated statement of comprehensive income for the three months ended 31 March 2015;
- the condensed consolidated statement of changes in equity for the three months ended 31 March 2015;
- the condensed consolidated statement of cash flows for the three months ended 31 March 2015; 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 this 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 31 March 2015 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.

22 April 2015
Doha
State of Qatar


Gopal Balasubramaniam
KPMG
Qatar Auditors Registry Number 251

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015**

QAR '000s

	Notes	31-Mar-15 Reviewed	31-Mar-14 Reviewed	31-Dec-14 Audited
ASSETS				
Cash and balances with central banks		7,067,287	7,646,949	6,940,968
Due from banks		15,337,680	13,023,999	15,493,763
Loans and advances to customers	5	71,944,228	68,687,424	72,541,236
Investment securities	6	12,497,538	14,939,302	11,621,238
Investment in associates	7	4,426,737	4,184,705	4,446,826
Property and equipment	8	1,294,826	1,293,298	1,310,515
Intangible assests		750,313	963,795	859,923
Other assets		2,803,718	3,279,735	2,437,879
TOTAL ASSETS		116,122,327	114,019,207	115,652,348
LIABILITIES				
Due to banks	9	14,753,572	12,817,841	14,124,506
Customers' deposits	10	61,747,380	62,123,590	61,561,219
Debt securities	11	9,264,531	9,441,823	9,544,796
Other borrowings	12	9,766,859	9,080,501	9,339,678
Other liabilities		3,695,396	3,927,310	3,386,036
TOTAL LIABILITIES		99,227,738	97,391,065	97,956,235
EQUITY				
Share capital	13	3,266,292	2,969,356	2,969,356
Legal reserve		8,820,294	8,820,294	8,820,294
General reserve		26,500	26,500	26,500
Risk reserve		1,748,625	1,316,300	1,708,632
Fair value reserves		138,237	(26,100)	91,003
Foreign currency translation reserve		(606,203)	(265,810)	(411,131)
Other reserves		1,083,781	813,444	1,098,090
Other equity		(675,418)	(626,752)	(723,721)
Retained earnings		516,047	918,416	1,449,313
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK		14,318,155	13,945,648	15,028,336
Non-controlling interests		576,434	682,494	667,777
Instrument eligible for additional capital		2,000,000	2,000,000	2,000,000
TOTAL EQUITY		16,894,589	16,628,142	17,696,113
TOTAL LIABILITIES AND EQUITY		116,122,327	114,019,207	115,652,348

The condensed consolidated interim financial information was approved by the Board of Directors on 22 April 2015 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 Saleh 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 MONTHS ENDED 31 MARCH 2015**

QAR '000s

	Note	Three months ended	
		31-Mar-15 Reviewed	31-Mar-14 Reviewed
Interest income		1,044,821	1,124,830
Interest expense		(419,282)	(504,056)
Net interest income		625,539	620,774
Fee and commission income		293,269	276,090
Fee and commission expense		(65,597)	(64,586)
Net fee and commission income		227,672	211,504
Net foreign exchange gain		38,030	42,214
Income from investment securities		30,175	20,521
Other operating income		30,815	40,734
Net operating income		952,231	935,747
Staff costs		(211,553)	(215,681)
Depreciation		(38,449)	(37,888)
Amortization of intangible assets		(13,085)	(17,527)
Impairment loss on investment securities		(6,115)	(8,444)
Net impairment loss on loans and advances to customers		(170,191)	(50,836)
Other expenses		(137,444)	(135,810)
Profit before share of results of associates		375,394	469,561
Share of results of associates		99,460	91,670
Profit before tax		474,854	561,231
Income tax expenses		(12,309)	(12,775)
Profit for the period		462,545	548,456
Attributable to:			
Equity holders of the Bank		452,366	533,935
Non-controlling interests		10,179	14,521
Profit for the period		462,545	548,456
Earnings per share			
Basic/diluted earnings per share (QAR)	15	1.29	1.54

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 MONTHS ENDED 31 MARCH 2015**

QAR '000s

	Three months ended	
	31-Mar-15 Reviewed	31-Mar-14 Reviewed
Profit for the period	462,545	548,456
Other comprehensive income for the period:		
Items that are, or may subsequently be, reclassified to profit or loss:		
Foreign currency translation differences for foreign operations	(281,036)	(44,209)
Share of other comprehensive income of investment in associates	(5,781)	8,633
Net movement in fair value of available-for-sale investments:		
- Change in fair value	62,941	130,453
- Amount transferred to profit and loss	(10,918)	(18,661)
Other comprehensive income for the period	(234,794)	76,216
Total comprehensive income for the period	227,751	624,672
Attributable to:		
Equity holders of the bank	303,536	621,539
Non-controlling interests	(75,785)	3,133
Total comprehensive income for the period	227,751	624,672

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 THREE MONTHS ENDED 31 MARCH 2015**

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 2015	2,969,356	8,820,294	26,500	1,708,632	91,003	(411,131)	1,098,090	(723,721)	1,449,313	15,028,336	667,777	2,000,000	17,696,113
Total comprehensive income for the period													
Profit for the period	-	-	-	-	-	-	-	-	452,366	452,366	10,179	-	462,545
Other comprehensive income	-	-	-	-	46,242	(195,072)	-	-	-	(148,830)	(85,964)	-	(234,794)
Total comprehensive income for the period	-	-	-	-	46,242	(195,072)	-	-	452,366	303,536	(75,785)	-	227,751
Transfer to risk reserve	-	-	-	39,993	-	-	-	-	(39,993)	-	-	-	-
Dividend for instrument eligible for additional capital	-	-	-	-	-	-	-	-	(30,000)	(30,000)	-	-	(30,000)
Net movement in other reserves	-	-	-	-	-	-	(14,309)	-	14,309	-	-	-	-
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 2014	-	-	-	-	-	-	-	-	(1,039,275)	(1,039,275)	-	-	(1,039,275)
Bonus share issue for 2014	296,936	-	-	-	-	-	-	-	(296,936)	-	-	-	-
Put option on non-controlling interest	-	-	-	-	-	-	-	48,303	--	48,303	-	-	48,303
Total contributions by and distributions to equity holders	296,936	-	-	-	-	-	-	48,303	(1,336,211)	(990,972)	-	-	(990,972)
Net movement in non-controlling interests	-	-	-	-	992	-	-	-	6,263	7,255	(15,558)	-	(8,303)
Balance as at 31 March 2015	3,266,292	8,820,294	26,500	1,748,625	138,237	(606,203)	1,083,781	(675,418)	516,047	14,318,155	576,434	2,000,000	16,894,589

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 THREE MONTHS ENDED 31 MARCH 2015**

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	8,820,260	26,500	1,316,300	(146,525)	(232,989)	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	-	-	-	-	-	-	-	-	533,935	533,935	14,521	-	548,456
Other comprehensive loss	-	-	-	-	120,425	(32,821)	-	-	-	87,604	(11,388)	-	76,216
Total comprehensive income for the period					120,425	(32,821)	-	-	533,935	621,539	3,133	-	624,672
Transfer to risk reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend for instrument eligible for additional capital	-	-	-	-	-	-	-	-	(30,000)	(30,000)	-	-	(30,000)
Net movement in other reserves	-	-	-	-	-	-	(22,396)	-	22,396	-	-	-	-
Transactions with equity holders, recognised directly in equity													
Contributions by and distributions to equity holders:													
Increase in share capital	-	-	-	-	-	-	-	-	-	-	87,225	-	87,225
Increase in legal reserve	-	34	-	-	-	-	-	-	-	34	-	-	34
Dividend for the year 2013	-	-	-	-	-	-	-	-	(494,893)	(494,893)	-	-	(494,893)
Bonus share issue for 2013	494,892	-	-	-	-	-	-	-	(494,892)	-	-	-	-
Put option on Non-controlling interest	-	-	-	-	-	-	-	(113,991)	-	(113,991)	-	-	(113,991)
Total contributions by and distributions to equity holders	494,892	34	-	-	-	-	-	(113,991)	(989,785)	(608,850)	87,225	-	(521,625)
Net movement in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2014	2,969,356	8,820,294	26,500	1,316,300	(26,100)	(265,810)	813,444	(626,752)	918,416	13,945,648	682,494	2,000,000	16,628,142

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 THREE MONTHS ENDED 31 MARCH 2015**

QAR '000s

	Three months ended		Year ended
	31-Mar-15 Reviewed	31-Mar-14 Reviewed	31-Dec-14 Audited
Cash flows from operating activities			
Profit for the period/year before income tax	474,854	561,231	1,990,659
<i>Adjustments for:</i>			
Net impairment loss on loans and advances to customers	170,191	50,836	622,818
Impairment loss on investment securities	6,115	8,444	49,811
Depreciation	38,449	37,888	143,261
Amortization of intangible assets	13,085	17,527	52,657
Amortization of transaction costs on borrowings	5,697	6,210	27,850
Gain/loss on investment securities at fair value through profit or loss	246	14,730	(2,179)
Net gain on disposal of available-for-sale securities	(20,330)	(28,508)	(166,787)
Gain on disposal of property and equipment	-	-	(138)
Gain on disposal of other assets	-	-	(16,964)
Share of results of associates	(99,460)	(91,670)	(381,166)
Operating profit before working capital changes	588,847	576,688	2,319,822
Working capital changes			
Change in due from banks	(1,647,774)	147,867	(2,613,438)
Change in loans and advances to customers	(1,094,202)	(2,052,910)	(7,658,614)
Change in other assets	(427,643)	(298,333)	336,868
Change in due to banks	1,114,500	(240,216)	1,694,420
Change in customer deposits	1,158,301	(1,177,549)	(1,010,400)
Change in other liabilities	488,383	478,505	(150,517)
Contribution to social and sports activities support fund	(48,505)	(40,135)	(40,135)
Cash from / (used in) operations	131,907	(2,606,083)	(7,121,994)
Income tax paid	(13,777)	(7,683)	(44,015)
Net cash from operating activities	118,130	(2,613,766)	(7,166,009)
Cash flows from investing activities			
Acquisition of investment securities	(3,243,426)	(4,182,098)	(11,035,104)
Proceeds from redemption of capital from investment in associate	-	-	7,500
Dividend received from associates	113,769	114,066	118,916
Proceeds from sale/maturity of investment securities	2,285,363	4,010,950	14,257,835
Acquisition of property and equipment and intangible assets	(28,224)	(48,963)	(183,385)
Proceeds from the sale of property and equipment	-	-	909
Proceeds from the sale of other assets	-	-	16,964
Net cash (used in) / from investing activities	(872,518)	(106,045)	3,183,635
Cash flows from financing activities			
Proceeds from issue of debt securities	1,097,944	-	4,064,863
Repayment of debt securities	(1,223,077)	(311,906)	(4,020,435)
Repayment of other borrowings	-	(2,021,941)	(4,425,817)
Proceeds from other borrowings	523,067	3,826,440	6,835,137
Proceeds from issue of instrument eligible for additional capital	-	-	-
Dividends paid	(1,039,275)	(494,892)	(494,892)
Net cash (used in) / from financing activities	(641,341)	997,701	1,958,856
Net decrease in cash and cash equivalents	(1,395,729)	(1,722,110)	(2,023,518)
Effect of exchange rate fluctuation	(87,335)	(29,078)	(91,479)
Cash and cash equivalents as at 1 January	12,749,677	14,864,674	14,864,674
Cash and cash equivalents at the end of the period/year (note 17)	11,266,613	13,113,486	12,749,677
Operational cash flows from interest and dividend:			
Interest paid	387,380	224,122	1,158,924
Interest received	923,900	809,311	3,162,607
Dividend received	10,091	6,743	16,504

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 number 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.

The principal subsidiaries of the Group are as follows:

Name of subsidiary	Country of incorporation	Capital of the subsidiary	Activity of the subsidiary	Percentage of ownership	
				31-Mar-15	31-Mar-14
Alternatifbank A.S. (“ABank”)	Turkey	TRY 620,000,000	Banking services	74.87%	74.24%
Commercialbank Investment Services (S.P.C.)	Qatar	QAR 100,000,000	Brokerage services	100%	100%
Orient1 Limited	Bermuda	US\$ 20,000,000	Holding company	100%	100%
Global Card Services L.L.C.	Sultanate of Oman	OMR 500,000	Credit card business	100%	100%
CBQ Finance Limited	Bermuda	US\$ 1,000	Debt issuance for the Bank	100%	100%

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 2014. The results for the three months ended 31 March 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

(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 2014.

(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 2014.

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 ended 31 December 2014, except as noted below:

During the period, the Group applied the following amendments to standards in the preparation of the condensed consolidated interim financial information. The amendments to the below standards did not have any material impact to the Group.

- Defined Benefit Plans - Employee Contributions (Amendment to IAS 19).
- Annual Improvements 2010 - 2012 Cycle.
- Annual Improvements 2011 - 2013 Cycle.

The following new standards and amendments have been issued but are not yet effective. The Group is currently evaluating the impact of these new standards and amendments.

- IFRS 9 - Financial Instruments (Effective 1 January 2018).
- IFRS 14 - Regulatory Deferral Accounts (Effective 1 January 2016).
- IFRS 15 - Revenue from Contracts with Customers (Effective 1 January 2017).
- Amendments to IFRS 11 - Accounting for Acquisitions of Interests in Joint Operations (Effective 1 January 2016).
- Amendments to IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation (Effective 1 January 2016).
- Amendments to IAS 27 - Equity Method in Separate Financial Statements (Effective 1 January 2016).

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:

31 March 2015	Commercial Bank			Subsidiaries			Total
	Wholesale Banking	Retail Banking	Total Commercial Bank	ABank	Others	Unallocated	
Net interest income	284,094	210,065	494,159	148,713	741	(18,074)	625,539
Net fee, commission and other income	140,179	122,924	263,103	43,418	5,657	14,514	326,692
Segmental revenue	<u>424,273</u>	<u>332,989</u>	<u>757,262</u>	<u>192,131</u>	<u>6,398</u>	<u>(3,560)</u>	952,231
Impairment loss on investment securities	(6,115)	-	(6,115)	-	-	-	(6,115)
Net impairment loss on loans and advances to customers	<u>(101,758)</u>	<u>(31,172)</u>	<u>(132,930)</u>	<u>(36,952)</u>	<u>(309)</u>	<u>-</u>	(170,191)
Segmental profit			338,090	40,123	1,842	(16,970)	363,085
Share of results of associates							99,460
Net profit for the period							462,545
Other information							
Assets	71,867,619	18,456,829	90,324,448	17,330,019	433,450	3,607,673	111,695,590
Investments in associates	-	-	-	-	-	-	4,426,737
Liabilities	66,941,511	15,216,332	82,157,843	15,944,378	225,389	900,128	99,227,738
Contingent items	24,854,118	30,890	24,885,008	4,437,168	-	-	29,322,176

Intra-group transactions are eliminated from this segmental information (Assets: QAR 1954 million, Liabilities: QAR 588 million).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
31 MARCH 2015

QAR '000s

4. SEGMENT INFORMATION (continued)

31 March 2014

	Commercial Bank			Subsidiaries			
	Wholesale Banking	Retail Banking	Total Commercial Bank	ABank	Others	Unallocated	Total
Net interest income	317,400	164,052	481,452	139,897	635	(1,210)	620,774
Net fee, commission and other income	157,105	82,424	239,529	43,558	4,341	27,545	314,973
Segmental revenue	474,505	246,476	720,981	183,455	4,976	26,335	935,747
Impairment loss on investment securities	(8,444)	-	(8,444)	-	-	-	(8,444)
Net impairment loss on loans and advances to customers	(34,558)	(14,176)	(48,734)	(1,498)	(604)	-	(50,836)
Segmental profit			404,355	55,870	1,388	(4,827)	456,786
Share of results of associates							91,670
Net profit for the period							548,456
Other information							
Assets	71,738,336	15,315,330	87,053,666	18,440,760	414,545	3,925,531	109,834,502
Investments in associates	-	-	-	-	-	-	4,184,705
Liabilities	64,890,513	14,425,763	79,316,276	17,071,406	240,485	762,898	97,391,065
Contingent items	25,221,731	941,449	26,163,180	5,561,995	-	-	31,725,175

Intra-group transactions are eliminated from this segmental information (Assets: QAR1,615 million, Liabilities: QAR 447 million).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
31 MARCH 2015

QAR '000s

5. LOANS AND ADVANCES TO CUSTOMERS

Loans and advances to customers comprises:

	31-Mar-15	31-Mar-14	31-Dec-14
	Reviewed	Reviewed	Audited
Loans	68,419,477	66,044,124	69,343,221
Overdrafts	5,041,929	3,617,318	4,597,622
Bills discounted	366,419	313,931	360,315
Bankers acceptances	372,590	418,474	383,079
	74,200,415	70,393,847	74,684,237
Deferred profit	(37,723)	(77,687)	(43,228)
Allowance for impairment of loans and advances to customers	(2,218,464)	(1,628,736)	(2,099,773)
Net loans and advances to customers	71,944,228	68,687,424	72,541,236

The aggregate amount of non-performing loans and advances to customers at 31 March 2015 amounted to QAR 2,888 million which represents 3.89% of total loans and advances to customers (31 March 2014: QAR 2,497 million, 3.55% of total loans and advances to customers; 31 December 2014: QAR 2,827 million, 3.79% of total loans and advances to customers).

Allowance for impairment includes QAR 330 million of interest in suspense (31 March 2014: QAR 196 million; 31 December 2014: QAR 117 million).

6. INVESTMENT SECURITIES

Investment securities comprise the following:

	31-Mar-15	31-Mar-14	31-Dec-14
	Reviewed	Reviewed	Audited
Available-for-sale	12,409,286	14,764,497	11,503,217
Investment securities designated at fair value through income statement	88,252	174,805	118,021
Total	12,497,538	14,939,302	11,621,238

The carrying value of investment securities pledged under Repurchase agreements (REPO) is QAR 2,207 million (31 March 2014: QAR 3,843 million; 31 December 2014: QAR 1,439 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					
		31-Mar-15		31-Mar-14		31-Dec-14	
		Reviewed	%	Reviewed	%	Audited	%
National Bank of Oman (S.A.O.G.)	Oman	1,760,575	34.9%	1,658,174	34.9%	1,787,144	34.9%
United Arab Bank (P.J.S.C.)	UAE	2,657,111	40.0%	2,508,602	40.0%	2,651,410	40.0%
Asteco Qatar L.L.C.*	Qatar	1,301	30.0%	1,646	30.0%	1,395	30.0%
Massoun Insurance Services L.L.C.	Qatar	7,750	50.0%	16,283	50.0%	6,877	50.0%
		4,426,737		4,184,705		4,446,826	

*Asteco Qatar L.L.C is in the process of being liquidated which is expected to be completed by the end of 2015.

8. PROPERTY AND EQUIPMENT**Acquisitions and disposals**

During the three months ended 31 March 2015, the Group acquired assets with a cost of QAR 28 million (31 March 2014: QAR 49 million; 31 December 2014: QAR 176 million).

There were no disposals made by the Group during the three months ended 31 March 2015 (31 March 2014: QAR nil; 31 December 2014: QAR 8 million).

9. DUE TO BANKS

	31-Mar-15 Reviewed	31-Mar-14 Reviewed	31-Dec-14 Audited
Balances due to central banks	364,000	327,600	364,000
Current accounts	717,970	1,235,994	606,192
Placements with banks	11,652,665	7,789,474	11,912,257
Repurchase agreements with banks (REPO)	2,018,937	3,464,773	1,242,057
Total	14,753,572	12,817,841	14,124,506

10. CUSTOMERS' DEPOSITS

	31-Mar-15 Reviewed	31-Mar-14 Reviewed	31-Dec-14 Audited
Current and call deposits	19,521,059	17,086,072	17,635,842
Saving deposits	5,598,555	8,541,813	5,343,913
Time deposits	36,627,766	36,495,705	38,581,464
Total	61,747,380	62,123,590	61,561,219

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
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QAR '000s

11. DEBT SECURITIES

	31-Mar-15 Reviewed	31-Mar-14 Reviewed	31-Dec-14 Audited
EMTN Programme – Senior Notes	4,516,806	1,802,421	4,514,279
Senior Notes	1,033,282	3,788,798	1,335,648
Subordinated Notes	2,664,078	2,694,059	2,677,276
CHF Fixed Rate Bonds	1,050,365	1,156,545	1,017,593
Total	9,264,531	9,441,823	9,544,796

The table below shows the maturity profile of debt securities:

	31-Mar-15 Reviewed	31-Mar-14 Reviewed	31-Dec-14 Audited
Up to 1 year	1,176,566	3,788,798	1,448,427
Between 1 and 3 years	1,807,835	1,156,545	1,806,462
Over 3 years	6,280,130	4,496,480	6,289,907
Total	9,264,531	9,441,823	9,544,796

12. OTHER BORROWINGS

	31-Mar-15 Reviewed	31-Mar-14 Reviewed	31-Dec-14 Audited
Bilateral loans	2,002,119	1,455,959	2,002,069
Syndicate loans	3,632,005	3,623,285	3,629,880
Others	4,132,735	4,001,257	3,707,729
Total	9,766,859	9,080,501	9,339,678

The table below shows the maturity profile of other borrowings:

	31-Mar-15 Reviewed	31-Mar-14 Reviewed	31-Dec-14 Audited
Up to 1 year	6,404,430	2,392,169	3,770,556
Between 1 and 3 years	3,020,977	5,850,264	5,068,645
Over 3 years	341,452	838,068	500,477
Total	9,766,859	9,080,501	9,339,678

13. SHARE CAPITAL

	31-Mar-15 Reviewed	31-Mar-14 Reviewed	31-Dec-14 Audited
Authorised number of ordinary shares (Nominal value of ordinary shares QAR 10 each)	<u>326,629,210</u>	<u>296,935,646</u>	<u>296,935,646</u>
Issued and paid up capital (in thousands of Qatar Riyals)	<u>3,266,292</u>	<u>2,969,356</u>	<u>2,969,356</u>

All shares are of the same class and carry equal voting rights.

14. DIVIDEND

A cash dividend of **35% (or QAR 3.50 per share)** relating to the year ended 31 December 2014 (2013: QAR 2 per share), amounting to **QAR 1,039 million** (2013: QAR 495 million) and a bonus share of **10%** (2013: 20%) of the Bank's capital as at 31 December 2014 amounting to **QAR 297 million** (2013: QAR 495 million) was approved for distribution to shareholders at the Annual General Assembly held on 18 March 2015.

15. EARNINGS PER SHARE

	Three months ended	
	31-Mar-15 Reviewed	31-Mar-14 Reviewed
Basic and diluted		
Profit attributable to equity holders	452,366	533,935
Less: Dividend on instrument eligible for additional capital	<u>(30,000)</u>	<u>(30,000)</u>
Profit for EPS computation	<u>422,366</u>	<u>503,935</u>
Weighted average number of outstanding ordinary shares in thousands	<u>326,629</u>	<u>326,629</u>
Basic/diluted earnings per share (QAR)	<u>1.29</u>	<u>1.54</u>

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

	Three months ended	
	31-Mar-15 Reviewed	31-Mar-14 Reviewed
Qualifying ordinary shares at the beginning of the period	296,935	296,935
Effect of bonus share issued	<u>29,694</u>	<u>29,694</u>
Weighted average number of ordinary shares for the period	<u>326,629</u>	<u>326,629</u>

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QAR '000s

16. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

	31-Mar-15	31-Mar-14	31-Dec-14
	Reviewed	Reviewed	Audited
a) Contingent liabilities			
Unused facilities	5,223,047	7,065,179	6,156,369
Guarantees	20,397,575	20,534,292	21,449,106
Letters of credit	3,701,554	4,125,704	4,046,513
Total	<u>29,322,176</u>	<u>31,725,175</u>	<u>31,651,988</u>
b) Other commitments			
Forward foreign exchange contracts and other derivatives at notional value	28,515,057	32,923,306	16,002,708
Capital commitments	582,722	1,154,572	399,857
Total	<u>29,097,779</u>	<u>34,077,878</u>	<u>16,402,565</u>

17. CASH AND CASH EQUIVALENTS

	31-Mar-15	31-Mar-14	31-Dec-14
	Reviewed	Reviewed	Audited
Cash and balances with central banks *	2,849,835	3,621,853	2,803,095
Due from banks up to 90 days	8,416,778	9,491,633	9,946,582
	<u>11,266,613</u>	<u>13,113,486</u>	<u>12,749,677</u>

*Cash and balances with central banks 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>
31- Mar-2015			
Derivative assets	-	257,691	257,691
Investment securities	1,454,193	10,802,085	12,497,538
	<u>1,454,193</u>	<u>11,059,776</u>	<u>12,755,229</u>
Derivative liabilities	-	249,901	249,901
		<u>249,901</u>	<u>249,901</u>
31-Dec-2014			
Derivative assets	-	223,757	223,757
Investment securities	1,746,411	9,628,708	11,621,238
	<u>1,746,411</u>	<u>9,852,465</u>	<u>11,844,995</u>
Derivative liabilities	-	209,300	209,300
	<u>-</u>	<u>209,300</u>	<u>209,300</u>

All unquoted available for sale equities and investment funds are recorded at fair value except for investments with a carrying value of QAR 241 million (31 December 2014: QAR 246 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 operating decisions. The balances at the reporting date with these accounts were as follows:

	31-Mar-15	31-Mar-14	31-Dec-14
	Reviewed	Reviewed	Audited
Board members of the bank			
- Loans, advances and financing activities (a)	1,627,707	1,493,778	1,646,600
- Deposits	179,519	334,086	272,589
- Contingent liabilities and other commitments	7,199	15,231	5,603
- Interest and fee income	2,134	2,662	10,532
- Interest paid on deposits accounts of board members	2,370	3,084	9,495
- Remuneration, meeting attendance fees and salaries paid to board members	-	1,713	19,190
Associated companies			
- Due to banks	185,638	168,950	95,313
- Due from banks	144,012	324,620	506,181
- Deposits	10,386	26,460	12,363
- Associates contingent liabilities to the Group	755,997	763,397	757,271
- Interest income earned from associates	237	674	1,124
- Interest income incurred to associates	94	144	404
Senior management of the bank			
- Remuneration and other benefits	14,771	26,384	97,238
- Loans and advances	9,068	16,992	9,366

- (a) A significant portion of the loans, advances and financing activities' balance at 31 March 2015 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 honoring all obligations.

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.