



CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

30 SEPTEMBER 2015

The Commercial Bank (Q.S.C)

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KPMG
25 C Ring Road
PO Box 4473, Doha
State of Qatar

Telephone +974 4457 6444
Fax +974 4442 5626
Website www.kpmg.com.qa

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

Introduction

We have reviewed the accompanying 30 September 2015 condensed consolidated interim financial information of The Commercial Bank (Q.S.C.) (the "Bank") and its subsidiaries (together the "Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 September 2015;
- the condensed consolidated income statement for the three and nine months ended 30 September 2015;
- the condensed consolidated statement of comprehensive income for the three and nine months ended 30 September 2015;
- the condensed consolidated statement of changes in equity for the nine months ended 30 September 2015;
- the condensed consolidated statement of cash flows for the nine months ended 30 September 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 30 September 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.

18 October 2015
Doha
State of Qatar


Gopal Balasubramaniam
KPMG
Qatar Auditors Registry Number 251

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2015

QAR '000s

	Notes	30-Sep-15 Reviewed	30-Sep-14 Reviewed	31-Dec-14 Audited
ASSETS				
Cash and balances with central banks		5,496,856	7,199,274	6,940,968
Due from banks		12,089,144	13,470,618	15,493,763
Loans and advances to customers	5	73,362,164	70,657,396	72,541,236
Investment securities	6	18,384,654	13,609,571	11,621,238
Investment in associates	7	4,457,475	4,380,944	4,446,826
Property and equipment	8	1,290,166	1,291,280	1,310,515
Intangible assets		620,417	875,779	859,923
Other assets		3,463,054	2,786,202	2,437,879
TOTAL ASSETS		119,163,930	114,271,064	115,652,348
LIABILITIES				
Due to banks	9	13,693,937	12,164,171	14,124,506
Customers' deposits	10	64,119,632	58,145,657	61,561,219
Debt securities	11	9,731,095	13,032,558	9,544,796
Other borrowings	12	10,704,077	9,609,830	9,339,678
Other liabilities		3,564,139	3,752,899	3,386,036
TOTAL LIABILITIES		101,812,880	96,705,115	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		1,868,187	1,494,300	1,708,632
Fair value reserves		(28,703)	68,038	91,003
Foreign currency translation reserve		(865,764)	(367,779)	(411,131)
Other reserves		1,132,413	1,017,192	1,098,090
Other equity		(629,294)	(675,628)	(723,721)
Retained earnings		1,260,656	1,542,947	1,449,313
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK		14,850,581	14,895,220	15,028,336
Non-controlling interests		500,469	670,729	667,777
Instrument eligible for additional capital		2,000,000	2,000,000	2,000,000
TOTAL EQUITY		17,351,050	17,565,949	17,696,113
TOTAL LIABILITIES AND EQUITY		119,163,930	114,271,064	115,652,348

The condensed consolidated interim financial information was approved by the Board of Directors on 18 October 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 AND NINE MONTHS ENDED 30 SEPTEMBER 2015**

QAR '000s

	Note	Three months ended		Nine months ended	
		30-Sep-15 Reviewed	30-Sep-14 Reviewed	30-Sep-15 Reviewed	30-Sep-14 Reviewed
Interest income		1,094,617	1,198,281	3,200,451	3,500,463
Interest expense		(443,363)	(522,318)	(1,296,895)	(1,562,425)
Net interest income		651,254	675,963	1,903,556	1,938,038
Fee and commission income		325,514	245,233	989,121	883,310
Fee and commission expense		(79,251)	(51,038)	(222,394)	(206,617)
Net fee and commission income		246,263	194,195	766,727	676,693
Net foreign exchange gain		34,336	21,601	128,136	88,089
Income from investment securities		15,655	42,685	90,271	147,055
Other operating income		36,275	15,478	169,700	84,086
Net operating income		983,783	949,922	3,058,390	2,933,961
Staff costs		(219,321)	(211,946)	(643,838)	(639,871)
Depreciation		(34,359)	(37,645)	(109,773)	(114,203)
Amortization of intangible assets		(13,112)	(11,835)	(39,325)	(35,504)
Impairment loss on investment securities		(13,337)	(13,493)	(25,494)	(42,605)
Net impairment loss on loans and advances to customers		(167,590)	(119,798)	(543,778)	(377,087)
Other expenses		(165,497)	(141,615)	(462,678)	(430,413)
Profit before share of results of associates		370,567	413,590	1,233,504	1,294,278
Share of results of associates		(65,027)	106,764	151,592	300,268
Profit before tax		305,540	520,354	1,385,096	1,594,546
Income tax expenses		(16,317)	(17,735)	(44,270)	(41,378)
Profit for the period		289,223	502,619	1,340,826	1,553,168
Attributable to:					
Equity holders of the Bank		275,929	486,504	1,300,554	1,510,215
Non-controlling interests		13,294	16,115	40,272	42,953
Profit for the period		289,223	502,619	1,340,826	1,553,168
Earnings per share					
Basic/diluted earnings per share (QAR)	15	0.84	1.49	3.98	4.62

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 NINE MONTHS ENDED 30 SEPTEMBER 2015**

QAR '000s

	Three months ended		Nine months ended	
	30-Sep-15 Reviewed	30-Sep-14 Reviewed	30-Sep-15 Reviewed	30-Sep-14 Reviewed
Profit for the period	289,223	502,619	1,340,826	1,553,168
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	(245,197)	(167,130)	(605,835)	(181,572)
Share of other comprehensive income of investment in associates	(25,162)	2,793	(23,675)	8,624
Net movement in fair value of available-for-sale investments:				
- Change in fair value	(67,761)	(22,485)	(47,558)	249,292
- Amount transferred to profit and loss	(6,013)	(17,340)	(52,581)	(43,353)
Other comprehensive income for the period	(344,133)	(204,162)	(729,649)	32,991
Total comprehensive income for the period	(54,910)	298,457	611,177	1,586,159
Attributable to:				
Equity holders of the bank	(22,970)	325,403	722,107	1,589,987
Non-controlling interests	(31,940)	(26,946)	(110,930)	(3,828)
Total comprehensive income for the period	(54,910)	298,457	611,177	1,586,159

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 NINE MONTHS ENDED 30 SEPTEMBER 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	-	-	-	-	-	-	-	-	1,300,554	1,300,554	40,272	-	1,340,826
Other comprehensive income	-	-	-	-	(123,814)	(454,633)	-	-	-	(578,447)	(151,202)	-	(729,649)
Total comprehensive income for the period	-	-	-	-	(123,814)	(454,633)	-	-	1,300,554	722,107	(110,930)	-	611,177
Transfer to risk reserve	-	-	-	159,555	-	-	-	-	(119,665)	39,890	(39,890)	-	-
Net movement in other reserves	-	-	-	-	-	-	34,323	-	(34,323)	-	-	-	-
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	-	-	-	-	-	-	-	94,427	-	94,427	-	-	94,427
Total contributions by and distributions to equity holders	296,936	-	-	-	-	-	-	94,427	(1,336,211)	(944,848)	-	-	(944,848)
Net movement in non-controlling interests	-	-	-	-	4,108	-	-	-	988	5,096	(16,488)	-	(11,392)
Balance as at 30 September 2015	3,266,292	8,820,294	26,500	1,868,187	(28,703)	(865,764)	1,132,413	(629,294)	1,260,656	14,850,581	500,469	2,000,000	17,351,050

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

The Commercial Bank (Q.S.C.)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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	8,820,259	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	-	-	-	-	-	-	-	-	1,510,215	1,510,215	42,953	-	1,553,168
Other comprehensive income	-	-	-	-	214,563	(134,791)	-	-	-	79,772	(46,781)	-	32,991
Total comprehensive income for the period	-	-	-	-	214,563	(134,791)	-	-	1,510,215	1,589,987	(3,828)	-	1,586,159
Transfer to risk reserve	-	-	-	178,000	-	-	-	-	(178,000)	-	-	-	-
Net movement in other reserves	-	-	-	-	-	-	181,352	-	(181,352)	-	-	-	-
Transactions with equity holders, recognised directly in equity													
Contributions by and distributions to equity holders:													
Increase in share capital	-	-	-	-	-	-	-	-	-	-	82,421	-	82,421
Increase in legal reserve	-	35	-	-	-	-	-	-	-	35	-	-	35
Dividend for the year 2013	-	-	-	-	-	-	-	-	(494,894)	(494,894)	-	-	(494,894)
Bonus share issue for 2013	494,892	-	-	-	-	-	-	-	(494,892)	-	-	-	-
Put option on Non-controlling interest	-	-	-	-	-	-	-	(162,867)	-	(162,867)	-	-	(162,867)
Total contributions by and distributions to equity holders	494,892	35	-	-	-	-	-	(162,867)	(989,786)	(657,726)	82,421	-	(575,305)
Net movement in Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2014	2,969,356	8,820,294	26,500	1,494,300	68,038	(367,779)	1,017,192	(675,628)	1,542,947	14,895,220	670,729	2,000,000	17,565,949

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 NINE MONTHS ENDED 30 SEPTEMBER 2015**

QAR '000s

	Nine months ended		Year ended
	30-Sep-15 Reviewed	30-Sep-14 Reviewed	31-Dec-14 Audited
Cash flows from operating activities			
Profit for the period/year before income tax	1,385,096	1,594,546	1,990,659
<i>Adjustments for:</i>			
Net impairment loss on loans and advances to customers	543,778	377,087	622,818
Impairment loss on investment securities	25,494	42,605	49,811
Depreciation	109,773	114,203	143,261
Amortization of intangible assets	39,325	35,504	52,657
Amortization of transaction costs for borrowings	17,328	20,973	27,850
Gain/loss on investment securities at fair value through profit or loss	1,289	(543)	(2,179)
Net gain on disposal of available-for-sale securities	(73,720)	(131,917)	(166,787)
Gain on disposal of property and equipment and other assets	(89,761)	(13,418)	(17,102)
Share of results of associates	(151,592)	(300,268)	(381,166)
Operating profit before working capital changes	1,807,010	1,738,772	2,319,822
Working capital changes			
Change in due from banks	(1,103,775)	(120,250)	(2,613,438)
Change in loans and advances to customers	(5,949,301)	(5,026,083)	(7,658,614)
Change in other assets	(299,338)	71,279	336,868
Change in due to banks	(67,612)	(235,355)	1,694,420
Change in customer deposits	4,732,653	(4,691,284)	(1,010,400)
Change in other liabilities	579,065	347,431	(150,517)
Contribution to social and sports activities support fund	(48,505)	(40,135)	(40,135)
Cash (used in)/ from operations	(349,803)	(7,955,625)	(7,121,994)
Income tax paid	(43,129)	(34,527)	(44,015)
Net cash from operating activities	(392,932)	(7,990,152)	(7,166,009)
Cash flows from investing activities			
Acquisition of investment securities	(13,427,463)	(8,669,681)	(11,035,104)
Proceeds from redemption of capital from investment in associate	-	7,500	7,500
Dividend received from associates	117,269	118,916	118,916
Proceeds from sale/maturity of investment securities	6,312,875	9,837,726	14,257,835
Acquisition of property and equipment and intangible assets	(148,173)	(126,683)	(183,385)
Proceeds from the sale of property and equipment and other assets	125,921	14,314	17,873
Net cash (used in)/ from investing activities	(7,019,571)	1,182,092	3,183,635
Cash flows from financing activities			
Proceeds from issue of debt securities	1,185,584	3,613,284	4,064,863
Repayment of debt securities	(530,768)	(221,705)	(4,020,435)
Repayment of other borrowings	(1,971,966)	(3,836,218)	(4,425,817)
Proceeds from other borrowings	4,217,730	6,390,898	6,835,137
Dividends paid	(1,039,275)	(494,892)	(494,892)
Net cash from/(used in) financing activities	1,861,305	5,451,367	1,958,856
Net (decrease) / increase in cash and cash equivalents	(5,551,198)	(1,356,693)	(2,023,518)
Effect of exchange rate fluctuation	(282,771)	(83,614)	(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)	6,915,708	13,424,367	12,749,677
Operational cash flows from interest and dividend:			
Interest paid	1,156,058	665,748	1,158,924
Interest received	3,055,196	2,301,254	3,162,607
Dividend received	17,840	14,595	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 (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 legal name of the Bank was amended from The Commercial Bank of Qatar (Q.S.C.) to The Commercial Bank (Q.S.C.), based on the shareholders’ approval during the Extraordinary General Meeting held on 18 March 2015. 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	
				30-Sep-15	30-Sep-14
Alternatifbank A.S. (“ABank”)	Turkey	TRY 620,000,000	Banking services	75%	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 nine months ended 30 September 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 year 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).

The Commercial Bank (Q.S.C.)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION 30 SEPTEMBER 2015

QAR '000s

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 Sep 2015	Commercial Bank			Subsidiaries			Total
	Wholesale Banking	Retail Banking	Total Commercial Bank	ABank	Others	Unallocated	
Net interest income	893,116	641,925	1,535,041	420,229	2,462	(54,176)	1,903,556
Net fee, commission and other income	425,463	344,658	770,121	229,491	19,521	135,701	1,154,834
Segmental revenue	<u>1,318,579</u>	<u>986,583</u>	<u>2,305,162</u>	<u>649,720</u>	<u>21,983</u>	<u>81,525</u>	3,058,390
Impairment loss on investment securities	(25,494)	-	(25,494)	-	-	-	(25,494)
Net impairment loss on loans and advances to customers	<u>(330,504)</u>	<u>(93,502)</u>	<u>(424,006)</u>	<u>(119,446)</u>	<u>(326)</u>	<u>-</u>	(543,778)
Segmental profit			985,278	159,940	7,894	36,122	1,189,234
Share of results of associates							151,592
Net profit for the year							1,340,826
Other information							
Assets	72,283,031	19,672,568	91,955,599	17,486,828	322,383	4,941,645	114,706,455
Investments in associates	-	-	-	-	-	-	4,457,475
Liabilities	67,862,406	16,994,967	84,857,373	16,223,739	108,271	623,497	101,812,880
Contingent items	25,060,251	1,116,294	26,176,545	5,115,480	571,343	-	31,863,368

Intra-group transactions are eliminated from this segmental information (Assets: QAR 1,955 million, Liabilities: QAR 465 million).

The Commercial Bank (Q.S.C.)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
30 SEPTEMBER 2015

QAR '000s

4. SEGMENT INFORMATION (continued)

30 Sep 2014

	Commercial Bank			Subsidiaries			Total
	Wholesale Banking	Retail Banking	Total Commercial Bank	ABank	Others	Unallocated	
Net interest income	923,528	539,899	1,463,427	493,101	2,400	(20,890)	1,938,038
Net fee, commission and other income	553,993	252,028	806,021	132,794	19,338	37,770	995,923
Segmental revenue	<u>1,477,521</u>	<u>791,927</u>	<u>2,269,448</u>	<u>625,895</u>	<u>21,738</u>	<u>16,880</u>	<u>2,933,961</u>
Impairment loss on investment securities	(42,605)	-	(42,605)			-	(42,605)
Net impairment loss on loans and advances to customers	<u>(255,268)</u>	<u>(43,429)</u>	<u>(298,697)</u>	<u>(76,906)</u>	<u>(1,484)</u>	<u>-</u>	<u>(377,087)</u>
Segmental profit			<u>1,148,367</u>	<u>166,068</u>	<u>10,093</u>	<u>(71,628)</u>	<u>1,252,900</u>
Share of results of associates							<u>300,268</u>
Net profit for the year							<u>1,553,168</u>
Other information							
Assets	68,547,529	18,327,447	86,874,976	18,701,066	414,618	3,899,460	109,890,120
Investments in associates	-	-	-	-	-	-	4,380,944
Liabilities	64,594,444	13,790,561	78,385,005	17,270,794	217,901	831,415	96,705,115
Contingent items	26,169,656	1,038,257	27,207,913	4,944,319	614,174	-	32,766,406

Intra-group transactions are eliminated from this segmental information (Assets: QAR 1,622 million, Liabilities: QAR 395 million).

5. LOANS AND ADVANCES TO CUSTOMERS

Loans and advances to customers comprises:

	30-Sep-15 Reviewed	30-Sep-14 Reviewed	31-Dec-14 Audited
Loans	70,916,491	68,883,272	69,343,221
Overdrafts	3,834,146	2,880,313	4,597,622
Bills discounted	390,668	331,268	360,315
Bankers acceptances	477,731	457,825	383,079
	75,619,036	72,552,678	74,684,237
Deferred profit	(30,505)	(56,591)	(43,228)
Allowance for impairment of loans and advances to customers	(2,226,367)	(1,838,691)	(2,099,773)
Net loans and advances to customers	73,362,164	70,657,396	72,541,236

The aggregate amount of non-performing loans and advances to customers at 30 September 2015 amounted to QAR 2,737 million which represents 3.62% of total loans and advances to customers (30 September 2014: QAR 2,691 million, 3.71% 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 382 million of interest in suspense (30 September 2014: QAR 270 million; 31 December 2014: QAR 297 million).

During the nine months ended 30 September 2015, and as approved by Qatar Central Bank, a loan-asset swap to settle a non-performing loan against the takeover of real estate collateral was concluded and was classified under other assets.

6. INVESTMENT SECURITIES

Investment securities comprise the following:

	30-Sep-15 Reviewed	30-Sep-14 Reviewed	31-Dec-14 Audited
Available-for-sale	18,324,643	13,483,127	11,503,217
Investment securities designated at fair value through income statement	60,011	126,444	118,021
Total	18,384,654	13,609,571	11,621,238

The carrying value of investment securities pledged under Repurchase agreements (REPO) is QAR 2,191 million (30 September 2014: QAR 3,199 million; 31 December 2014: QAR 1,439 million).

During the nine months ended 30 September 2015, Government Treasury bills amounting to QAR 8,293 million was purchased and QAR 4,205 million was sold or matured.

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-Sep-15		30-Sep-14		31-Dec-14	
		Reviewed	%	Reviewed	%	Audited	%
National Bank of Oman (S.A.O.G.)	Oman	1,864,146	34.9%	1,750,688	34.9%	1,787,144	34.9%
United Arab Bank (P.J.S.C.)	UAE	2,586,353	40.0%	2,623,570	40.0%	2,651,410	40.0%
Asteco Qatar L.L.C.*	Qatar	1,264	30.0%	1,494	30.0%	1,395	30.0%
Massoun Insurance Services L.L.C.	Qatar	5,712	50.0%	5,192	50.0%	6,877	50.0%
		4,457,475		4,380,944		4,446,826	

*Asteco Qatar L.L.C is in the process of liquidation.

8. PROPERTY AND EQUIPMENT

Acquisitions and disposals

During the nine months ended 30 September 2015, the Group acquired assets with a cost of QAR 136 million (30 September 2014: QAR 127 million; 31 December 2014: QAR 176 million).

Disposals made by the Group during the nine months ended 30 September 2015 amounted to QAR 54 million (30 September 2014: QAR 896 thousand; 31 December 2014: QAR 7 million), at original cost.

9. DUE TO BANKS

	30-Sep-15 Reviewed	30-Sep-14 Reviewed	31-Dec-14 Audited
Balances due to central banks	72,800	273,000	364,000
Current accounts	804,222	874,626	606,192
Placements with banks	10,850,441	8,047,567	11,912,257
Repurchase agreements with banks (REPO)	1,966,474	2,968,978	1,242,057
Total	13,693,937	12,164,171	14,124,506

10. CUSTOMERS' DEPOSITS

	30-Sep-15 Reviewed	30-Sep-14 Reviewed	31-Dec-14 Audited
Current and call deposits	17,796,359	16,454,617	17,635,842
Saving deposits	5,308,870	5,395,244	5,343,913
Time deposits	41,014,403	36,295,796	38,581,464
Total	64,119,632	58,145,657	61,561,219

11. DEBT SECURITIES

	30-Sep-15	30-Sep-14	31-Dec-14
	Reviewed	Reviewed	Audited
EMTN Programme – Senior Notes	4,521,997	4,513,497	4,514,279
Senior Notes	1,033,956	4,755,520	1,335,648
Subordinated Notes	3,122,448	2,682,226	2,677,276
CHF Fixed Rate Bonds	1,052,694	1,081,315	1,017,593
Total	<u>9,731,095</u>	<u>13,032,558</u>	<u>9,544,796</u>

The table below shows the maturity profile of debt securities:

	30-Sep-15	30-Sep-14	31-Dec-14
	Reviewed	Reviewed	Audited
Up to 1 year	1,183,946	3,849,523	1,448,427
Between 1 and 3 years	1,810,619	2,886,417	1,806,462
Over 3 years	6,736,530	6,296,618	6,289,907
Total	<u>9,731,095</u>	<u>13,032,558</u>	<u>9,544,796</u>

12. OTHER BORROWINGS

	30-Sep-15	30-Sep-14	31-Dec-14
	Reviewed	Reviewed	Audited
Bilateral loans	5,795,460	5,982,148	2,002,069
Syndicate loans	4,908,617	3,627,682	3,629,880
Others	-	-	3,707,729
Total	<u>10,704,077</u>	<u>9,609,830</u>	<u>9,339,678</u>

The table below shows the maturity profile of other borrowings:

	30-Sep-15	30-Sep-14	31-Dec-14
	Reviewed	Reviewed	Audited
Up to 1 year	7,117,525	3,763,149	3,770,556
Between 1 and 3 years	1,810,662	5,281,974	5,068,645
Over 3 years	1,775,890	564,707	500,477
Total	<u>10,704,077</u>	<u>9,609,830</u>	<u>9,339,678</u>

13. SHARE CAPITAL

	30-Sep-15 Reviewed	30-Sep-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

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		Nine months ended	
	30-Sep-15 Reviewed	30-Sep-14 Reviewed	30-Sep-15 Reviewed	30-Sep-14 Reviewed
Basic and diluted				
Profit Attributable to equity holders	<u>275,929</u>	<u>486,504</u>	<u>1,300,554</u>	<u>1,510,215</u>
Profit for EPS computation	<u>275,929</u>	<u>486,504</u>	<u>1,300,554</u>	<u>1,510,215</u>
Weighted average number of outstanding ordinary shares in thousands	<u>326,629</u>	<u>326,629</u>	<u>326,629</u>	<u>326,629</u>
Basic/diluted earnings per share (QAR)	<u>0.84</u>	<u>1.49</u>	<u>3.98</u>	<u>4.62</u>

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

	Three months ended		Nine months ended	
	30-Sep-15 Reviewed	30-Sep-14 Reviewed	30-Sep-15 Reviewed	30-Sep-14 Reviewed
Qualifying ordinary shares at the beginning of the period	<u>296,935</u>	<u>296,935</u>	<u>296,935</u>	<u>296,935</u>
Effect of Bonus share issued	<u>29,694</u>	<u>29,694</u>	<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>	<u>326,629</u>	<u>326,629</u>

16. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

	30-Sep-15	30-Sep-14	31-Dec-14
	Reviewed	Reviewed	Audited
a) Contingent liabilities			
Unused facilities	5,507,630	7,946,383	6,156,369
Guarantees	22,257,269	21,118,436	21,449,106
Letters of credit	4,098,469	3,701,587	4,046,513
Total	<u>31,863,368</u>	<u>32,766,406</u>	<u>31,651,988</u>
b) Other commitments			
Forward foreign exchange contracts and other derivatives at notional value	34,071,975	13,794,781	16,002,708
Capital commitments	486,373	404,340	399,857
Total	<u>34,558,348</u>	<u>14,199,121</u>	<u>16,402,565</u>

17. CASH AND CASH EQUIVALENTS

	30-Sep-15	30-Sep-14	31-Dec-14
	Reviewed	Reviewed	Audited
Cash and balances with central banks *	1,312,187	2,863,070	2,803,095
Due from banks up to 90 days	5,603,521	10,561,297	9,946,582
	<u>6,915,708</u>	<u>13,424,367</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>
30- Sep-2015			
Derivative assets	-	230,783	230,783
Investment securities	1,310,101	16,821,516	18,384,650
	<u>1,310,101</u>	<u>17,052,299</u>	<u>18,615,433</u>
Derivative liabilities	-	145,452	145,452
	<u>-</u>	<u>145,452</u>	<u>145,452</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 253 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:

	30-Sep-15	30-Sep-14	31-Dec-14
	Reviewed	Reviewed	Audited
Board members of the bank			
- Loans, advances and financing activities (a)	2,159,821	1,476,495	1,646,600
- Deposits	169,241	298,927	272,589
- Contingent liabilities and other commitments	5,193	13,936	5,603
- Interest and fee income	6,586	7,982	10,532
- Interest paid on deposits accounts of board members	5,805	7,490	9,495
- Remuneration, meeting attendance fees and salaries paid to board members	-	1,190	19,190
Associated companies			
- Due to banks	93,381	352,624	95,313
- Due from banks	422,083	143,756	506,181
- Deposits	9,730	9,462	12,363
- Associates contingent liabilities to the Group	764,009	758,154	757,271
- Interest income earned from associates	324	1,086	1,124
- Interest income incurred to associates	243	356	404
Senior management of the bank			
- Remuneration and other benefits	43,274	75,441	97,238
- Loans and advances	11,951	17,808	9,366

- (a) A significant portion of the loans, advances and financing activities' balance at 30 September 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 for the comparative period.