



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

31 MARCH 2016

The Commercial Bank (Q.S.C)

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016**
QAR '000s

	Notes	31-Mar-16 Reviewed	31-Mar-15 Reviewed	31-Dec-15 Audited
ASSETS				
Cash and balances with central banks		6,782,328	7,067,287	5,423,592
Due from banks		17,479,403	15,337,680	15,830,943
Loans and advances to customers	5	75,513,698	71,944,228	76,601,549
Investment securities	6	13,500,695	12,497,538	15,854,241
Investment in associates and joint arrangement	7	4,449,104	4,426,737	4,423,172
Property and equipment	8	1,368,632	1,294,826	1,345,381
Intangible assests		651,725	750,313	638,379
Other assets		3,566,889	2,803,718	3,303,797
TOTAL ASSETS		123,312,474	116,122,327	123,421,054
LIABILITIES				
Due to banks	9	8,364,826	14,753,572	12,456,035
Customer deposits	10	72,130,466	61,747,380	69,787,654
Debt securities	11	7,958,562	9,264,531	8,449,337
Other borrowings	12	12,195,487	9,766,859	12,074,417
Other liabilities		3,931,690	3,665,396	3,354,931
TOTAL LIABILITIES		104,581,031	99,197,738	106,122,374
EQUITY				
Share capital	13	3,266,292	3,266,292	3,266,292
Legal reserve		8,826,120	8,820,294	8,820,294
General reserve		26,500	26,500	26,500
Risk reserve		1,787,308	1,748,625	1,787,308
Fair value reserve		4,868	138,237	(70,305)
Foreign currency translation reserve		(750,073)	(606,203)	(804,995)
Other reserves		1,169,895	1,083,781	1,139,887
Other equity		(657,337)	(675,418)	(651,052)
Retained earnings		511,919	546,047	1,239,526
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK		14,185,492	14,348,155	14,753,455
Non-controlling interests		545,951	576,434	545,225
Instruments eligible for additional capital	14	4,000,000	2,000,000	2,000,000
TOTAL EQUITY		18,731,443	16,924,589	17,298,680
TOTAL LIABILITIES AND EQUITY		123,312,474	116,122,327	123,421,054

The condensed consolidated interim financial statements was approved by the Board of Directors on 25 April 2016 and was signed on its behalf by:

Sheikh Abdulla 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 21 form an integral part of this condensed consolidated interim financial statements.

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2016**
QAR '000s

	Note	Three months ended 31-Mar-16 Reviewed	31-Mar-15 Reviewed
Interest income		1,146,220	1,044,821
Interest expense		(521,911)	(419,282)
Net interest income		624,309	625,539
Fee and commission income		267,951	293,269
Fee and commission expense		(68,142)	(65,597)
Net fee and commission income		199,809	227,672
Net foreign exchange gain		23,543	38,030
Income from investment securities		44,325	30,175
Other income		37,218	30,815
Net operating income		929,204	952,231
Staff costs		(228,096)	(211,553)
Depreciation		(35,383)	(38,449)
Amortization of intangible assets		(13,431)	(13,085)
Impairment loss on investment securities		(20,264)	(6,115)
Net impairment loss on loans and advances to customers		(259,141)	(170,191)
Other expenses		(144,065)	(137,444)
Profit before share of results of associates and joint arrangement		228,824	375,394
Share of results of associates and joint arrangement		30,008	99,460
Profit before tax		258,832	474,854
Income tax credit /(expense)		15,336	(12,309)
Profit for the period		274,168	462,545
Attributable to:			
Equity holders of the Bank		288,115	452,366
Non-controlling interests		(13,947)	10,179
Profit for the period		274,168	462,545
Earnings per share			
Basic/diluted earnings per share (QAR)	16	0.76	1.29

The attached notes 1 to 21 form an integral part of this condensed consolidated interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2016**

QAR '000s

	Three months ended	
	31-Mar-16 Reviewed	31-Mar-15 Reviewed
Profit for the period	274,168	462,545
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	69,595	(281,036)
Share of other comprehensive income of investment in associates and joint arrangement	(4,076)	(5,781)
Net movement in fair value of available-for-sale investments:		
- Change in fair value	100,993	62,941
- Amount transferred to profit and loss	(21,744)	(10,918)
Other comprehensive income for the period	144,768	(234,794)
Total comprehensive income for the period	418,936	227,751
Attributable to:		
Equity holders of the bank	418,210	303,536
Non-controlling interests	726	(75,785)
Total comprehensive income for the period	418,936	227,751

The attached notes 1 to 21 form an integral part of this condensed consolidated interim financial statements.

The Commercial Bank (Q.S.C.)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2016**

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 2016	3,266,292	8,820,294	26,500	1,787,308	(70,305)	(804,995)	1,139,887	(651,052)	1,239,526	14,753,455	545,225	2,000,000	17,298,680
Total comprehensive income for the period													
Profit for the period	-	-	-	-	-	-	-	-	288,115	288,115	(13,947)	-	274,168
Other comprehensive income	-	-	-	-	75,173	54,922	-	-	-	130,095	14,673	-	144,768
Total comprehensive income for the period	-	-	-	-	75,173	54,922	-	-	288,115	418,210	726	-	418,936
Transfer to legal reserve	-	5,826	-	-	-	-	-	-	(5,826)	-	-	-	-
Transfer to risk reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Instrument eligible for additional capital	-	-	-	-	-	-	-	-	-	-	-	2,000,000	2,000,000
Net movement in other reserves	-	-	-	-	-	-	30,008	-	(30,008)	-	-	-	-
Transactions with equity holders, recognised directly in equity													
Contributions by and distributions to equity holders of the bank:													
Increase in share capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend for the year 2015	-	-	-	-	-	-	-	-	(979,888)	(979,888)	-	-	(979,888)
Bonus share issue for 2015	-	-	-	-	-	-	-	-	-	-	-	-	-
Put option on non-controlling interest	-	-	-	-	-	-	-	(6,285)	-	(6,285)	-	-	(6,285)
Total contributions by and distributions to equity holders of the bank	-	-	-	-	-	-	-	(6,285)	(979,888)	(986,173)	-	-	(986,173)
Net movement in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2016	3,266,292	8,826,120	26,500	1,787,308	4,868	(750,073)	1,169,895	(657,337)	511,919	14,185,492	545,951	4,000,000	18,731,443

The attached notes 1 to 21 form an integral part of this condensed consolidated interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2016**
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)	-	-	-	-
Net movement in other reserves	-	-	-	-	-	-	(14,309)	-	14,309	-	-	-	-
Transactions with equity holders, recognised directly in equity													
Contributions by and distributions to equity holders of the bank:													
Increase in share capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend for the year 2014	15	-	-	-	-	-	-	-	(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 of the bank		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)	546,047	14,348,155	576,434	2,000,000	16,924,589

The attached notes 1 to 21 form an integral part of this condensed consolidated interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2016**
QAR '000s

	Three months ended		Year ended
	31-Mar-16 Reviewed	31-Mar-15 Reviewed	31-Dec-15 Audited
Cash flows from operating activities			
Profit before tax	258,832	474,854	1,469,307
<i>Adjustments for:</i>			
Net impairment loss on loans and advances to customers	259,141	170,191	841,836
Impairment loss on investment securities	20,264	6,115	56,355
Depreciation	35,383	38,449	136,327
Amortization of intangible assets	13,431	13,085	52,562
Amortization of transaction costs	16,907	5,697	64,851
Loss on investment securities at fair value through profit or loss	1,185	246	1,332
Net gain on disposal of available-for-sale securities	(38,833)	(20,330)	(86,636)
Gain on disposal of property and equipment and other assets	-	-	(89,761)
Share of results of associates and joint arrangement	(30,008)	(99,460)	(109,066)
Operating profit before working capital changes	536,302	588,847	2,337,107
Working capital changes			
Change in due from banks	1,131,024	(1,647,774)	(696,538)
Change in loans and advances to customers	1,179,967	(1,094,202)	(8,875,663)
Change in other assets	(242,088)	(427,643)	(131,200)
Change in due to banks	(4,100,842)	1,114,500	(1,331,506)
Change in customer deposits	2,071,813	1,158,301	10,042,228
Change in other liabilities	599,476	474,606	118,430
Contribution to social and sports fund	(35,841)	(48,505)	(48,505)
Net cash from operating activities	1,139,811	118,130	1,414,353
Cash flows from investing activities			
Acquisition of investment securities	(1,167,592)	(3,243,426)	(15,101,187)
Dividend received from associates and joint arrangement	-	113,769	117,269
Proceeds from sale/maturity of investment securities	3,649,424	2,285,363	10,448,007
Acquisition of property and equipment and intangible assets	(60,188)	(28,224)	(233,331)
Proceeds from the sale of property and equipment and other assets	(784)	-	125,750
Net cash from/(used in) investing activities	2,420,860	(872,518)	(4,643,492)
Cash flows from financing activities			
Proceeds from issue of debt securities	-	1,097,944	403,427
Repayment of debt securities	-	(1,223,077)	(1,399,732)
Repayment of other borrowings	(2,861,780)	-	(6,539,127)
Proceeds from other borrowings	2,348,586	523,067	9,819,002
Proceeds from issue of instrument eligible for additional capital	2,000,000	-	-
Dividends paid	(979,888)	(1,039,275)	(1,039,275)
Net cash from/(used in) financing activities	506,918	(641,341)	1,244,295
Net increase /(decrease) in cash and cash equivalents	4,067,589	(1,395,729)	(1,984,844)
Effect of exchange rate fluctuation	46,656	(87,335)	174,405
Cash and cash equivalents as at 1 January	10,939,238	12,749,677	12,749,677
Cash and cash equivalents at the end of the period/year (note 17)	15,053,483	11,266,613	10,939,238
Operational cash flows from interest and dividend:			
Interest paid	460,965	387,380	1,683,749
Interest received	1,134,948	923,900	4,313,970
Dividend received	6,677	10,091	19,580

The attached notes 1 to 21 form an integral part of this condensed consolidated interim financial statements.

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 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-16	31-Mar-15
Alternatifbank A.S. (“ABank”)	Turkey	TRY 620,000,000	Banking services	75%	74.87%
Commercialbank Financial Services L.L.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 statements have 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 statements do 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 2015. The results for the three months ended 31 March 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016.

(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 2015.

(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 2015.

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 2015, 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.

- Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)
- Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)
- Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)
- Annual Improvements to IFRSs 2012–2014 Cycle – various standards
- Investment Entities: Applying the Consolidated Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)
- Disclosure Initiative (Amendments to IAS 1)

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 15 - Revenue from Contracts with Customers (Effective 1 January 2018).
- IFRS 16 – Leases (Effective 1 January 2019)
- Amendments to IAS 7- Disclosure Initiatives (Effective 1 January 2017)
- Amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses (Effective 1 January 2017)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
31 MARCH 2016

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:

31 Mar 2016	Commercial Bank			Subsidiaries			Total
	Wholesale Banking	Retail Banking	Total Commercial Bank	ABank	Others	Unallocated	
Net interest income	302,187	221,147	523,334	121,756	832	(21,613)	624,309
Net fee, commission and other income	169,807	112,848	282,655	(7,552)	4,963	24,829	304,895
Segmental revenue	471,994	333,995	805,989	114,204	5,795	3,216	929,204
Impairment loss on investment securities	(20,264)	-	(20,264)	-	-	-	(20,264)
Net impairment loss on loans and advances to customers	(136,978)	(41,771)	(178,749)	(80,407)	15	-	(259,141)
Segmental profit			311,581	(55,784)	1,023	(12,660)	244,160
Share of results of associates and joint arrangement							30,008
Net profit for the year							274,168

Other information

Assets	76,175,469	19,953,537	96,129,006	17,415,915	236,152	5,082,297	118,863,370
Investments in associates and joint arrangement	-	-	-	-	-	-	4,449,104
Liabilities	69,042,338	18,791,131	87,833,469	16,120,286	23,326	603,950	104,581,031
Contingent items	23,825,129	1,434,563	25,259,692	4,576,626	571,343	-	30,407,661

Intra-group transactions are eliminated from this segmental information (Assets: QAR 1,529 million, Liabilities: QAR 559 million).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
31 MARCH 2016

QAR '000s

4. SEGMENT INFORMATION (continued)

31 Mar 2015

	Commercial Bank			Subsidiaries			
	Wholesale Banking	Retail Banking	Total Commercial Bank	ABank	Others	Unallocated	Total
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	424,273	332,989	757,262	192,131	6,398	(3,560)	952,231
Impairment loss on investment securities	(6,115)	-	(6,115)			-	(6,115)
Net impairment loss on loans and advances to customers	(101,758)	(31,172)	(132,930)	(36,952)	(309)	-	(170,191)
Segmental profit			338,090	40,123	1,842	(16,970)	363,085
Share of results of associates and joint arrangement							99,460
Net profit for the year							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 and joint arrangement	-	-	-	-	-	-	4,426,737
Liabilities	66,941,511	15,216,332	82,157,843	15,944,378	225,389	870,128	99,197,738
Contingent items	23,289,647	1,024,018	24,313,665	4,437,168	571,343	-	29,322,176

Intra-group transactions are eliminated from this segmental information (Assets: QAR 1,954 million, Liabilities: QAR 588 million).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
31 MARCH 2016

QAR '000s

5. LOANS AND ADVANCES TO CUSTOMERS

Loans and advances to customers comprises:

	31-Mar-16	31-Mar-15	31-Dec-15
	Reviewed	Reviewed	Audited
Loans	73,363,659	68,419,477	74,047,529
Overdrafts	3,691,906	5,041,929	3,972,334
Bills discounted	525,287	366,419	485,669
Bankers acceptances	633,522	372,590	484,768
	78,214,374	74,200,415	78,990,300
Deferred profit	(25,952)	(37,723)	(28,293)
Allowance for impairment of loans and advances to customers	(2,674,724)	(2,218,464)	(2,360,458)
Net loans and advances to customers	75,513,698	71,944,228	76,601,549

The aggregate amount of non-performing loans and advances to customers at 31 March 2016 amounted to QAR 3,516 million which represents 4.50% of total loans and advances to customers (31 March 2015: QAR 2,888 million, 3.89% of total loans and advances to customers; 31 December 2015: QAR 3,313 million, 4.20% of total loans and advances to customers).

Allowance for impairment includes QAR 362 million of interest in suspense (31 March 2015: QAR 330 million; 31 December 2015: QAR 327 million).

6. INVESTMENT SECURITIES

Investment securities comprise the following:

	31-Mar-16	31-Mar-15	31-Dec-15
	Reviewed	Reviewed	Audited
Held for trading	369,562	-	-
Available-for-sale	13,066,205	12,409,286	15,795,499
Investment securities designated at fair value through income statement	64,928	88,252	58,742
Total	13,500,695	12,497,538	15,854,241

The carrying value of investment securities pledged under Repurchase agreements (REPO) is QAR 2,271 million (31 March 2015: QAR 2,207 million; 31 December 2015: QAR 2,392 million).

7. INVESTMENT IN ASSOCIATES AND JOINT ARRANGEMENT

The Group's investment in associates and joint arrangement are as follows:

Name of the Entity	Classification	Country	Carrying Value and % of interest held					
			31-Mar-16		31-Mar-15		31-Dec-15	
			Reviewed	%	Reviewed	%	Audited	%
National Bank of Oman SAOG ('NBO')	Associate	Oman	1,936,393	34.9%	1,760,575	34.9%	1,918,657	34.9%
United Arab Bank PJSC ('UAB')	Associate	UAE	2,502,062	40.0%	2,657,111	40.0%	2,495,053	40.0%
Asteco Qatar L.L.C*	Associate	Qatar	1,264	30.0%	1,301	30.0%	1,264	30.0%
Massoun Insurance Services L.L.C	Joint venture	Qatar	9,385	50.0%	7,750	50.0%	8,198	50.0%
			4,449,104		4,426,737		4,423,172	

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

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

During the three months ended 31 March 2016, the Group acquired assets with a cost of QAR 58 million (31 March 2015: QAR 28 million).

Assets disposal made by the Group during the three months ended 31 March 2016 amounted to QAR 784 thousand (31 March 2015: nil), at original cost.

9. DUE TO BANKS

	31-Mar-16 Reviewed	31-Mar-15 Reviewed	31-Dec-15 Audited
Balances due to central banks	68,422	364,000	240,928
Current accounts	337,630	717,970	628,626
Placement with banks	5,872,737	11,652,665	9,428,341
Repurchase agreements with banks (REPO)	2,086,037	2,018,937	2,158,140
Total	8,364,826	14,753,572	12,456,035

10. CUSTOMERS' DEPOSITS

	31-Mar-16 Reviewed	31-Mar-15 Reviewed	31-Dec-15 Audited
Current and call deposits	19,876,254	19,521,059	18,082,053
Saving deposits	5,526,190	5,598,555	5,362,247
Time deposits	46,728,022	36,627,766	46,343,354
Total	72,130,466	61,747,380	69,787,654

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
31 MARCH 2016
QAR '000s
11. DEBT SECURITIES

	31-Mar-16	31-Mar-15	31-Dec-15
	Reviewed	Reviewed	Audited
EMTN Programme – Senior Notes	4,527,198	4,516,806	4,524,582
Senior Notes	1,082,238	1,033,282	1,076,371
Subordinated Notes	2,349,126	2,664,078	2,848,384
CHF Fixed Rate Bonds	-	1,050,365	-
Total	7,958,562	9,264,531	8,449,337

The table below shows the maturity profile of debt securities:

	31-Mar-16	31-Mar-15	31-Dec-15
	Reviewed	Reviewed	Audited
Up to 1 year	177,478	1,176,566	172,400
Between 1 and 3 years	1,813,457	1,807,835	1,812,031
Over 3 years	5,967,627	6,280,130	6,464,906
Total	7,958,562	9,264,531	8,449,337

12. OTHER BORROWINGS

	31-Mar-16	31-Mar-15	31-Dec-15
	Reviewed	Reviewed	Audited
Bilateral loans	4,908,789	2,002,119	1,092,135
Syndicate loans	6,679,549	3,632,005	6,326,467
Others	607,149	4,132,735	4,655,815
Total	12,195,487	9,766,859	12,074,417

The table below shows the maturity profile of other borrowings:

	31-Mar-16	31-Mar-15	31-Dec-15
	Reviewed	Reviewed	Audited
Up to 1 year	4,822,610	6,404,430	5,333,259
Between 1 and 3 years	6,278,243	3,020,977	5,727,114
Over 3 years	1,094,634	341,452	1,014,044
Total	12,195,487	9,766,859	12,074,417

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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QAR '000s
13. SHARE CAPITAL

	31-Mar-16	31-Mar-15	31-Dec-15
	Reviewed	Reviewed	Audited
Authorised number of ordinary shares (Nominal value of ordinary shares QAR 10 each)	326,629,210	326,629,210	326,629,210
Issued and paid up capital (in thousands of Qatar Riyals)	3,266,292	3,266,292	3,266,292

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

14. INSTRUMENT ELIGIBLE FOR ADDITIONAL CAPITAL

In February 2016 the Bank raised additional tier 1 capital by issuing unsecured perpetual non-cumulative unlisted Tier 1 notes for an amount of QAR 2 billion. The distributions (i.e. coupon payments) are discretionary and non-cumulative and priced at a fixed rate of 6% per annum, payable annually until the first call date falling in the sixth year from the date of issue.

15. DIVIDEND

A cash dividend of 30% (or QAR3 per share) relating to the year ended 31 December 2015 amounting to QAR 980 million (2014: 35% or QAR 3.5 per share amounting to QAR 1,039 million and 1 bonus share for every 10 shares held), was approved for distribution to shareholders at the Annual General Assembly held on 23 March 2016.

16. 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	
	31-Mar-16	31-Mar-15
	Reviewed	Reviewed
Basic and diluted		
Profit attributable to the equity holders of the bank	288,115	452,366
Less: profit attributable to additional tier 1 capital	(40,333)	(30,000)
Profit for EPS computation	247,782	422,366
Weighted average number of outstanding ordinary shares in thousands	326,629	326,629
Basic/diluted earnings per share (QAR)	0.76	1.29

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

	Three months ended	
	31-Mar-16	31-Mar-15
	Reviewed	Reviewed
Qualifying ordinary shares at the beginning of the period	326,629	296,935
Effect of Bonus share issued	-	29,694
Weighted average number of ordinary shares for the period	326,629	326,629

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
31 MARCH 2016

QAR '000s

17. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

	31-Mar-16	31-Mar-15	31-Dec-15
	Reviewed	Reviewed	Audited
a) Contingent liabilities			
Unused facilities	5,969,422	5,223,047	5,828,606
Guarantees	21,444,575	20,397,575	22,900,522
Letters of credit	2,993,664	3,701,554	3,520,761
Total	30,407,661	29,322,176	32,249,889
b) Other commitments			
Forward foreign exchange contracts and other derivatives at notional value	45,278,035	28,515,057	37,522,866
Capital commitments	506,895	582,722	400,195
Total	45,784,930	29,097,779	37,923,061

18. CASH AND CASH EQUIVALENTS

	31-Mar-16	31-Mar-15	31-Dec-15
	Reviewed	Reviewed	Audited
Cash and balances with central banks *	2,929,324	2,849,835	1,065,322
Due from banks up to 90 days	12,124,159	8,416,778	9,873,916
	15,053,483	11,266,613	10,939,238

*Cash and balances with central banks do not include the mandatory cash reserve.

19. 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:

	Level 1	Level 2	Carrying amount
31- Mar-2016			
Derivative assets	-	177,828	177,828
Investment securities	1,324,022	11,927,450	13,500,695
	1,324,022	12,105,278	13,678,523
Derivative liabilities	-	173,979	173,979
	-	173,979	173,979
31-Dec-2015			
Derivative assets	-	155,181	155,181
Investment securities	1,347,029	14,241,701	15,854,241
	1,347,029	14,396,882	16,009,422
Derivative liabilities	-	81,137	81,137
	-	81,137	81,137

All unquoted available for sale equities and investment funds are recorded at fair value except for investments with a carrying value of QAR 249 million (31 December 2015: QAR 266 million), which are recorded at cost since their fair value cannot be reliably estimated.

20. RELATED PARTY DISCLOSURE

The Group carries out various transactions with subsidiaries, associates and joint arrangement companies, 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-16	31-Mar-15	31-Dec-15
	Reviewed	Reviewed	Audited
Board members of the bank			
- Loans, advances and financing activities (a)	2,110,578	1,627,707	2,141,555
- Deposits	186,832	179,519	177,832
- Contingent liabilities and other commitments	3,380	7,199	5,659
- Interest and fee income	1,850	2,134	9,496
- Interest paid on deposits accounts of board members	1,708	2,370	9,699
- Remuneration and meeting attendance fees	-	-	18,500
Associates and joint arrangement companies			
- Due to banks	8,878	185,638	5,149
- Due from banks	323,723	144,012	506,368
- Deposits	12,826	10,386	9,754
- Associates contingent liabilities to the Group	780,466	755,997	772,252
- Interest income earned from associates	263	237	1,131
- Interest income incurred to associates	77	94	320
Senior management of the bank			
- Remuneration and other benefits	14,693	14,771	57,657
- Loans and advances	8,018	9,068	11,502

- (a) A significant portion of the loans, advances and financing activities' balance at 31 March 2016 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.

21. 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.