



CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
30 SEPTEMBER 2014

CONTENTS

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

	Page
Independent auditors' review report	1
Condensed consolidated statement of financial position	2
Condensed consolidated income statement	3
Condensed consolidated statement of comprehensive income	4
Condensed consolidated statement of changes in equity	5 –6
Condensed consolidated statement of cash flows	7
Notes to the condensed consolidated interim financial information	8 – 18



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

Introduction

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

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

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

29 October 2014
Doha
State of Qatar


Gopal Balasubramanian
KPMG
Qatar Auditors Registry Number 251

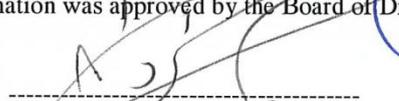
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014**

QAR '000s

	Notes	30-Sep-14 Reviewed	30-Sep-13 Reviewed	31-Dec-13 Audited
ASSETS				
Cash and balances with central banks		7,199,274	5,747,588	6,902,547
Due from banks		13,470,618	11,078,249	15,177,969
Loans and advances to customers	5	70,657,396	64,890,619	66,862,544
Investment securities	6	13,609,571	14,252,482	14,706,294
Investment in associates	7	4,380,944	4,116,600	4,198,469
Property and equipment	8	1,291,280	1,266,729	1,283,186
Intangible assests		875,779	1,005,965	996,486
Other assets		2,786,202	2,898,332	2,984,370
TOTAL ASSETS		114,271,064	105,256,564	113,111,865
LIABILITIES				
Due to banks	9	12,164,171	13,514,305	12,599,210
Customers' deposits	10	58,145,657	57,709,271	63,419,931
Debt securities	11	13,032,558	9,944,339	9,759,667
Other borrowings	12	9,609,830	6,179,321	7,345,717
Other liabilities		3,842,899	3,532,351	3,432,245
TOTAL LIABILITIES		96,795,115	90,879,587	96,556,770
EQUITY				
Share capital	13	2,969,356	2,474,464	2,474,464
Legal reserve		8,820,294	8,740,540	8,820,259
General reserve		26,500	26,500	26,500
Risk reserve		1,494,300	1,565,800	1,316,300
Fair value reserves		68,038	(152,577)	(146,525)
Foreign currency translation reserve		(367,779)	(76,334)	(232,988)
Other reserves		1,017,192	752,850	835,840
Other equity		(675,628)	(589,784)	(512,761)
Retained earnings		1,452,947	1,036,101	1,381,870
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK		14,805,220	13,777,560	13,962,959
Non-controlling interests		670,729	599,417	592,136
Instrument eligible for additional capital		2,000,000	-	2,000,000
TOTAL EQUITY		17,475,949	14,376,977	16,555,095
TOTAL LIABILITIES AND EQUITY		114,271,064	105,256,564	113,111,865

The condensed consolidated interim financial information was approved by the Board of Directors on 29 October 2014 and was signed on its behalf by:


Sheikh Abdullah Bin Ali Bin Jabor Al Thani
Chairman


Mr. Hussain Ibrahim Alfardan
Vice Chairman & Managing Director


Mr. Abdulla S. Al Raisi
Chief Executive Officer

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

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2014**

QAR '000s

	Note	Three months ended		Nine months ended	
		30-Sep-14 Reviewed	30-Sep-13 Reviewed	30-Sep-14 Reviewed	30-Sep-13 Reviewed
Interest income		1,199,652	1,067,997	3,504,575	2,491,660
Interest expense		(517,997)	(425,167)	(1,549,460)	(935,199)
Net interest income		681,655	642,830	1,955,115	1,556,461
Fee and commission income		245,233	192,314	883,310	590,177
Fee and commission expense		(51,038)	(47,769)	(206,617)	(117,600)
Net fee and commission income		194,195	144,545	676,693	472,577
Net foreign exchange gain		21,601	32,708	88,089	111,885
Income /(loss) from investment securities		42,685	(35,191)	147,055	165,858
Other operating income		15,478	36,425	84,086	112,513
Net operating income		955,614	821,317	2,951,038	2,419,294
Staff costs		(211,946)	(205,895)	(639,871)	(470,373)
Depreciation		(37,645)	(40,275)	(114,203)	(105,603)
Amortization of intangible assets		(17,527)	-	(52,581)	-
Impairment loss on investment securities		(13,493)	(56,566)	(42,605)	(77,315)
Net impairment loss on loans and advances to customers		(119,798)	(174,198)	(377,087)	(368,106)
Other expenses		(141,615)	(158,688)	(430,413)	(334,695)
Profit before share of results of associates		413,590	185,695	1,294,278	1,063,202
Share of results of associates		106,764	95,550	300,268	241,943
Profit before tax		520,354	281,245	1,594,546	1,305,145
Income tax expenses		(17,735)	-	(41,378)	-
Profit for the period		502,619	281,245	1,553,168	1,305,145
Attributable to:					
Equity holders of the Bank		486,504	280,880	1,510,215	1,304,780
Non-controlling interests		16,115	365	42,953	365
Profit for the period		502,619	281,245	1,553,168	1,305,145
Earnings per share					
Basic/diluted earnings per share (QAR)	15	1.54	0.95	4.78	4.39

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 2014**

QAR '000s

	Three months ended		Nine months ended	
	30-Sep-14 Reviewed	30-Sep-13 Reviewed	30-Sep-14 Reviewed	30-Sep-13 Reviewed
Profit for the period	502,619	281,245	1,553,168	1,305,145
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	(167,130)	(76,334)	(181,572)	(76,334)
Share of other comprehensive income of investment in associates	2,793	5,009	8,624	(16,803)
Net movement in fair value of available-for-sale investments:				
- Change in fair value	(22,485)	(39,623)	249,292	(243,781)
- Amount transferred to profit and loss	(17,340)	2,170	(43,353)	(55,218)
Other comprehensive income for the period	(204,162)	(108,778)	32,991	(392,136)
Total comprehensive income for the period	298,457	172,467	1,586,159	913,009
Attributable to:				
Equity holders of the bank	325,403	172,102	1,589,987	912,644
Non-controlling interests	(26,946)	365	(3,828)	365
Total comprehensive income for the period	298,457	172,467	1,586,159	913,009

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 2014**

QAR '000s

Notes	Share capital	Legal reserve	General reserve	Risk reserve	Fair value reserves	Foreign currency translation reserve	Other reserves	Other equity	Retained earnings	Total equity attributable to equity holders of the Bank	Non-controlling interests	Instrument eligible for additional capital	Total equity
Balance as at 1 January 2014	2,474,464	8,820,259	26,500	1,316,300	(146,525)	(232,988)	835,840	(512,761)	1,381,870	13,962,959	592,136	2,000,000	16,555,095
Total comprehensive income for the period													
Profit for the period	-	-	-	-	-	-	-	-	1,510,215	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)	-	-	-	-
Dividend for instrument eligible for additional capital	-	-	-	-	-	-	-	-	(90,000)	(90,000)	-	-	(90,000)
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	494,892	-	-	-	-	-	-	-	(494,892)	-	-	-	-
Put option on non-controlling interest	-	-	-	-	-	-	-	(162,867)	-	(162,867)	-	-	(162,867)
Net movement in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to equity holders	494,892	35	-	-	-	-	-	(162,867)	(989,786)	(657,726)	82,421	-	(575,305)
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)	1,452,947	14,805,220	670,729	2,000,000	17,475,949

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 2014**

QAR '000s

Notes	Share capital	Legal reserve	General reserve	Risk reserve	Fair value reserves	Foreign currency translation reserve	Other reserves	Other equity	Retained earnings	Total equity attributable to equity holders of the Bank	Non-controlling Interests	Instrument eligible for additional capital	Total equity
Balance as at 1 January 2013	2,474,464	8,740,540	26,500	924,600	163,225	-	673,604	-	1,936,445	14,939,378	-	-	14,939,378
Total comprehensive income for the period													
Profit for the period	-	-	-	-	-	-	-	-	1,304,780	1,304,780	365	-	1,305,145
Other comprehensive loss	-	-	-	-	(315,802)	(76,334)	-	-	-	(392,136)	-	-	(392,136)
Total comprehensive income for the period					(315,802)	(76,334)	-	-	1,304,780	912,644	365	-	913,009
Transfer to risk reserve	-	-	-	641,200	-	-	-	-	(641,200)	-	-	-	-
Dividend for Instrument eligible for additional capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Net movement in other reserves	-	-	-	-	-	-	79,246	-	(79,246)	-	-	-	-
Transactions with equity holders, recognised directly in equity													
Contributions by and distributions to equity holders:													
Increase in share capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend for the year 2012	-	-	-	-	-	-	-	-	(1,484,678)	(1,484,678)	-	-	(1,484,678)
Bonus share issue	-	-	-	-	-	-	-	-	-	-	-	-	-
Put option on Non-controlling interest	-	-	-	-	-	-	-	(589,784)	-	(589,784)	-	-	(589,784)
Net movement in Non-controlling interests	-	-	-	-	-	-	-	-	-	-	599,052	-	599,052
Total contributions by and distributions to equity holders	-	-	-	-	-	-	-	(589,784)	(1,484,678)	(2,074,462)	599,052	-	(1,475,410)
Balance as at 30 Sep 2013	2,474,464	8,740,540	26,500	1,565,800	(152,577)	(76,334)	752,850	(589,784)	1,036,101	13,777,560	599,417	-	14,376,977

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 2014**

QAR '000s

	Nine months ended		Year ended
	30-Sep-14	30-Sep-13	31-Dec-13
	Reviewed	Reviewed	Audited
Cash flows from operating activities			
Profit for the period/year before income tax	1,594,546	1,305,145	1,607,758
<i>Adjustments for:</i>			
Net impairment loss on loans and advances to customers	377,087	368,106	603,967
Impairment loss on investment securities	42,605	77,315	109,937
Depreciation	114,203	105,603	140,473
Amortization of intangible assets	52,581	-	3,252
Amortization of transaction costs for borrowings	20,973	16,442	21,742
Gain/loss on investment securities at fair value through profit or loss	(543)	(54,558)	2,770
Net gain on disposal of available-for-sale securities	(131,917)	(209,151)	(193,450)
Gain on disposal of property and equipment	(138)	-	-
Gain on disposal of other assets	(13,280)	(31,944)	(31,944)
Share of results of associates	(300,268)	(241,943)	(324,933)
Operating profit before working capital changes	1,755,849	1,335,015	1,939,572
Working capital changes			
Change in due from banks	(120,250)	(597,641)	(1,943,821)
Change in loans and advances to customers	(5,026,083)	(5,045,791)	(8,833,156)
Change in other assets	54,202	(189,891)	(1,096,323)
Change in due to banks	(965,928)	609,021	117,653
Change in customer deposits	(4,691,284)	8,432,845	14,879,996
Change in other liabilities	347,431	210,986	681,774
Contribution to social and sports activities support fund	(40,135)	(50,307)	(50,307)
Cash (used in)/ from operations	(8,686,198)	4,704,237	5,695,388
Income tax paid	(34,527)	-	(130)
Net cash from operating activities	(8,720,725)	4,704,237	5,695,258
Cash flows from investing activities			
Acquisition of investment securities	(8,669,681)	(6,403,256)	(9,949,548)
Proceeds from redemption of capital from investment in associate	7,500	-	-
Dividend received from associates	118,916	162,697	162,697
Acquisition of a subsidiary, net of cash acquired	-	(1,112,788)	(1,112,787)
Proceeds from sale/maturity of investment securities	9,837,726	5,813,406	8,781,890
Acquisition of property and equipment	(126,683)	(139,702)	(187,790)
Proceeds from the sale of property and equipment	1,034	151,000	-
Proceeds from the sale of other assets	13,280	-	151,000
Net cash from/(used in) investing activities	1,182,092	(1,528,643)	(2,154,538)
Cash flows from financing activities			
Proceeds from issue of debt securities	3,613,284	-	515,870
Repayment of debt securities	(221,705)	-	(563,265)
Repayment of other borrowings	(3,836,218)	(598,226)	(2,407,427)
Proceeds from other borrowings	6,390,898	-	4,014,764
Proceeds from issue of instrument eligible for additional capital	-	-	2,000,000
Dividends paid	(494,892)	(1,484,678)	(1,492,488)
Net cash from/(used in) financing activities	5,451,367	(2,082,904)	2,067,454
Net (decrease) / increase in cash and cash equivalents	(2,087,266)	1,092,690	5,608,174
Effect of exchange rate fluctuation	(83,614)	-	(100,337)
Cash and cash equivalents as at 1 January	6,211,302	703,465	703,465
Cash and cash equivalents at the end of the period/year (note 17)	4,040,422	1,796,155	6,211,302
Operational cash flows from interest and dividend:			
Interest paid	665,748	754,266	1,173,089
Interest received	2,301,254	2,192,871	3,053,973
Dividend received	14,595	17,976	18,854

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

1. REPORTING ENTITY

The Commercial Bank of Qatar (Q.S.C.) (“the Bank”) is an entity domiciled in the State of Qatar and was incorporated in 1974 as a public shareholding company under Emiri Decree No.73 of 1974. The commercial registration 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	
				30-Sep-14	30-Sep-13
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%
Commercialbank Investment Services (S.P.C.)	Qatar	QAR 100,000,000	Brokerage services	100%	100%
Alternatifbank A.S. (“ABank”)	Turkey	TRY 620,000,000	Banking services	74.24%	74.24%

2. BASIS OF PREPARATION**(a) Statement of Compliance**

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

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

(b) Estimates and judgements

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

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

(c) Financial risk management

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

- 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).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
30 SEPTEMBER 2014

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 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	(3,813)	1,955,115
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>33,957</u>	<u>2,951,038</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	921,415	96,795,115
Contingent items	31,728,149	1,038,257	32,766,406	-	-	-	32,766,406

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
30 SEPTEMBER 2014

QAR '000s

4. SEGMENT INFORMATION (continued)

30 Sep 2013

	Commercial Bank			Subsidiaries			Total
	Wholesale Banking	Retail Banking	Total Commercial Bank	ABank	Others	Unallocated	
Net interest income	917,877	474,423	1,392,300	165,649	1,902	(3,390)	1,556,461
Net fee, commission and other income	644,221	200,717	844,938	(22,955)	6,485	34,365	862,833
Segmental revenue	1,562,098	675,140	2,237,238	142,694	8,387	30,975	2,419,294
Impairment loss on investment securities	(77,315)	-	(77,315)	-	-	-	(77,315)
Net impairment loss on loans and advances to customers	(294,147)	(19,303)	(313,450)	(52,419)	(2,237)	-	(368,106)
Segmental profit			1,107,311	1,422	(7,050)	(38,481)	1,063,202
Share of results of associates							241,943
Net profit for the year							1,305,145
Other information							
Assets	65,221,688	14,705,510	79,927,198	16,700,339	350,233	4,162,194	101,139,964
Investments in associates	-	-	-	-	-	-	4,116,600
Liabilities	60,907,282	12,863,142	73,770,424	15,610,739	171,969	1,326,455	90,879,587
Contingent items	29,855,737	941,449	30,797,186	-	-	-	30,797,186

Intra-group transactions are eliminated from this segmental information (Assets: QAR 834 million, Liabilities: QAR 749 million).

5. LOANS AND ADVANCES TO CUSTOMERS

Loans and advances to customers comprises:

	30-Sep-14	30-Sep-13	31-Dec-13
	Reviewed	Reviewed	Audited
Loans	68,883,272	63,077,176	65,531,930
Overdrafts	2,880,313	2,514,934	2,288,460
Bills discounted	331,268	235,507	302,626
Bankers acceptances	457,825	323,840	397,061
	72,552,678	66,151,457	68,520,077
Deferred profit	(56,591)	(95,185)	(85,652)
Specific impairment of loans and advances to customers	(1,359,915)	(827,574)	(1,072,298)
Collective impairment allowance	(478,776)	(338,079)	(499,583)
Net loans and advances to customers	70,657,396	64,890,619	66,862,544

The aggregate amount of non-performing loans and advances to customers at 30 Sep 2014 amounted to QAR 2,691 million which represents 3.71% of total loans and advances to customers (30 September 2013: QAR 2,184 million, 3.31% of total loans and advances to customers; 31 December 2013: QAR 2,496 million, 3.65% of total loans and advances to customers).

Allowance for impairment includes QAR 270 million of interest in suspense (30 September 2013: QAR 147 million; 31 December 2013: QAR 173 million).

6. INVESTMENT SECURITIES

Investment securities comprise the following:

	30-Sep-14	30-Sep-13	31-Dec-13
	Reviewed	Reviewed	Audited
Available-for-sale	13,483,127	13,833,798	14,518,201
Investment securities designated at fair value through income statement	126,444	418,684	188,093
Total	13,609,571	14,252,482	14,706,294

The carrying value of investment securities pledged under Repurchase agreements (REPO) is QAR 3,199 million (30 September 2013: QAR 4,604 million; 31 December 2013: QAR 4,842 million).

7. INVESTMENT IN ASSOCIATES

The Group's investment in associates are as follows:

Associate entity	Country of incorporation	Carrying Value and % of interest held					
		30-Sep-14		30-Sep-13		31-Dec-13	
		Reviewed	%	Reviewed	%	Audited	%
National Bank of Oman (S.A.O.G.)	Oman	1,750,688	34.9%	1,643,895	34.9%	1,676,582	34.9%
United Arab Bank (P.J.S.C.)	UAE	2,623,570	40.0%	2,457,113	40.0%	2,504,711	40.0%
Asteco Qatar L.L.C.	Qatar	1,494	30.0%	1,877	30.0%	1,687	30.0%
Massoun Insurance Services L.L.C.	Qatar	5,192	50.0%	13,715	50.0%	15,489	50.0%
Balance at the end of the period/year		4,380,944		4,116,600		4,198,469	

During the period Massoun Insurance Services L.L.C. redeemed 75% of its paid up capital.

8. PROPERTY AND EQUIPMENT

Acquisitions and disposals

During the nine months ended 30 September 2014, the Group acquired assets with a cost of QAR 127 million (30 September 2013: QAR 140 million; 31 December 2013: QAR 361 million).

Assets with a net book value of QAR 896 thousand were disposed by the Group during the nine months ended 30 September 2014 (30 September 2013: nil; 31 December 2013: nil).

9. DUE TO BANKS

	30-Sep-14 Reviewed	30-Sep-13 Reviewed	31-Dec-13 Audited
Balances due to central banks	273,000	-	72,801
Current accounts	874,626	753,389	354,727
Placements with banks	8,047,567	8,307,078	7,762,710
Repurchase agreements with banks (REPO)	2,968,978	4,453,838	4,408,972
Total	12,164,171	13,514,305	12,599,210

10. CUSTOMERS' DEPOSITS

	30-Sep-14 Reviewed	30-Sep-13 Reviewed	31-Dec-13 Audited
Current and call deposits	16,454,617	15,129,155	15,463,734
Saving deposits	5,395,244	3,942,616	3,754,381
Time deposits	36,295,796	38,637,500	44,201,816
Total	58,145,657	57,709,271	63,419,931

11. DEBT SECURITIES

	30-Sep-14	30-Sep-13	31-Dec-13
	Reviewed	Reviewed	Audited
EMTN Programme – Senior Notes	4,513,497	1,799,790	1,801,099
Senior Notes	4,755,520	4,307,355	4,120,453
Subordinated Notes	2,682,226	2,687,270	2,695,444
CHF Fixed Rate Bonds	1,081,315	1,149,924	1,142,671
Total	<u>13,032,558</u>	<u>9,944,339</u>	<u>9,759,667</u>

The table below shows the maturity profile of debt securities:

	30-Sep-14	30-Sep-13	31-Dec-13
	Reviewed	Reviewed	Audited
Up to 1 year	3,849,523	603,864	4,034,434
Between 1 and 3 years	2,886,417	4,853,415	1,228,691
Over 3 years	6,296,618	4,487,060	4,496,542
Total	<u>13,032,558</u>	<u>9,944,339</u>	<u>9,759,667</u>

12. OTHER BORROWINGS

	30-Sep-14	30-Sep-13	31-Dec-13
	Reviewed	Reviewed	Audited
Bilateral loans	5,982,148	4,524,087	1,455,945
Syndicate loans	3,627,682	-	-
Club loan	-	1,655,234	1,655,959
Others	-	-	4,233,813
Total	<u>9,609,830</u>	<u>6,179,321</u>	<u>7,345,717</u>

The table below shows the maturity profile of other borrowings:

	30-Sep-14	30-Sep-13	31-Dec-13
	Reviewed	Reviewed	Audited
Up to 1 year	3,763,149	5,818,385	6,234,715
Between 1 and 3 years	5,281,974	360,936	516,162
Over 3 years	564,707	-	594,840
Total	<u>9,609,830</u>	<u>6,179,321</u>	<u>7,345,717</u>

13. SHARE CAPITAL

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

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

14. DIVIDEND

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

15. EARNINGS PER SHARE

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

	Three months ended		Nine months ended	
	30-Sep-14 Reviewed	30-Sep-13 Reviewed	30-Sep-14 Reviewed	30-Sep-13 Reviewed
Basic and diluted				
Profit Attributable to equity holders	486,504	280,880	1,510,215	1,304,780
Less: Dividend on instrument eligible for additional capital	(30,000)	-	(90,000)	-
Profit for EPS computation	<u>456,504</u>	<u>280,880</u>	<u>1,420,215</u>	<u>1,304,780</u>
Weighted average number of outstanding ordinary shares in thousands	<u>296,935</u>	<u>296,935</u>	<u>296,935</u>	<u>296,935</u>
Basic/diluted earnings per share (QAR)	<u>1.54</u>	<u>0.95</u>	<u>4.78</u>	<u>4.39</u>

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

	Three months ended		Nine months ended	
	30-Sep-14 Reviewed	30-Sep-13 Reviewed	30-Sep-14 Reviewed	30-Sep-13 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>
Weighted average number of ordinary shares for the period	<u>296,935</u>	<u>296,935</u>	<u>296,935</u>	<u>296,935</u>

16. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

	30-Sep-14	30-Sep-13	31-Dec-13
	Reviewed	Reviewed	Audited
a) Contingent liabilities			
Unused facilities	7,946,383	7,470,052	7,980,374
Guarantees	21,118,436	18,121,428	18,569,021
Letters of credit	3,701,587	5,205,706	5,408,175
Total	<u>32,766,406</u>	<u>30,797,186</u>	<u>31,957,570</u>
b) Other commitments			
Forward foreign exchange contracts and other derivatives at notional value	13,794,781	36,765,146	33,744,712
Capital commitments	404,340	492,749	488,504
Total	<u>14,199,121</u>	<u>37,257,895</u>	<u>34,233,216</u>

17. CASH AND CASH EQUIVALENTS

	30-Sep-14	30-Sep-13	31-Dec-13
	Reviewed	Reviewed	Audited
Cash and balances with central banks *	2,863,070	2,095,610	2,974,770
Due from banks up to 90 days	10,561,297	9,216,110	11,889,904
Due to banks up to 90 days	(9,383,945)	(9,515,565)	(8,653,372)
	<u>4,040,422</u>	<u>1,796,155</u>	<u>6,211,302</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-2014			
Derivative assets	-	317,207	317,207
Investment securities	2,789,812	10,571,169	13,609,571
	<u>2,789,812</u>	<u>10,888,376</u>	<u>13,926,778</u>
Derivative liabilities	-	218,688	218,688
	<u>-</u>	<u>218,688</u>	<u>218,688</u>
31-Dec-2013			
Derivative assets	-	580,176	580,176
Investment securities	3,465,706	10,896,990	14,706,294
	<u>3,465,706</u>	<u>11,477,166</u>	<u>15,286,470</u>
Derivative liabilities	-	387,143	387,143
	<u>-</u>	<u>387,143</u>	<u>387,143</u>

All unquoted available for sale equities and investment funds are recorded at fair value except for investments with a carrying value of QAR 249 million (31 December 2013: QAR 344 million), which are recorded at cost since their fair value cannot be reliably estimated.

19. RELATED PARTY DISCLOSURE

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

	30-Sep-14	30-Sep-13	31-Dec-13
	Reviewed	Reviewed	Audited
Board members			
- Loans, advances and financing activities (a)	1,476,495	2,201,046	2,143,286
- Deposits	298,927	475,011	416,133
- Contingent liabilities and other commitments	13,936	45,302	33,481
- Interest and fee income	7,982	11,776	13,560
- Interest paid on deposits accounts of board members	7,490	7,078	10,306
- Remuneration, meeting attendance fees and salaries paid to board members	1,190	4,330	23,850
Associated companies			
- Associates' deposits with the Group	362,167	576,080	509,435
- Bank's deposits with the associates	143,756	364,648	364,729
- Associates contingent liabilities to the Group	758,154	305,729	757,877
- Interest income earned from associates	1,086	491	776
- Interest income incurred to associates	356	283	357
Senior management compensation/Transaction			
- Fixed remuneration and other benefits	75,441	70,011	91,929
- Loans and advances	17,808	21,411	20,820

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