



CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
30 JUNE 2015

The Commercial Bank (Q.S.C)

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CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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

Introduction

We have reviewed the accompanying 30 June 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 June 2015;
- the condensed consolidated income statements for the three months and six months ended 30 June 2015;
- the condensed consolidated statements of comprehensive income for the three months and six months ended 30 June 2015;
- the condensed consolidated statement of changes in equity for the six months ended 30 June 2015;
- the condensed consolidated statement of cash flows for the six months ended 30 June 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 June 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.

13 July 2015
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Qatar Auditors Registry Number 251

The Commercial Bank (Q.S.C.)

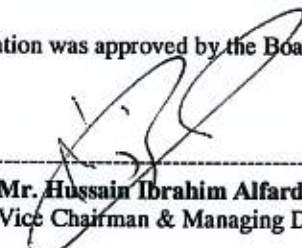
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

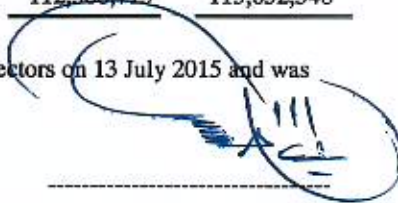
QAR '000s

	Notes	30-Jun-15 Reviewed	30-Jun-14 Reviewed	31-Dec-14 Audited
ASSETS				
Cash and balances with central banks		7,889,952	6,063,504	6,940,968
Due from banks		13,808,878	12,417,308	15,493,763
Loans and advances to customers	5	72,602,212	69,391,384	72,541,236
Investment securities	6	14,882,564	14,920,572	11,621,238
Investment in associates	7	4,547,664	4,271,387	4,446,826
Property and equipment	8	1,269,582	1,302,928	1,310,515
Intangible assests		716,718	960,519	859,923
Other assets		3,416,144	3,061,113	2,437,879
TOTAL ASSETS		119,133,714	112,388,715	115,652,348
LIABILITIES				
Due to banks	9	14,271,922	9,327,811	14,124,506
Customers' deposits	10	64,126,676	59,837,858	61,561,219
Debt securities	11	9,757,658	12,402,095	9,544,796
Other borrowings	12	9,879,465	9,703,064	9,339,678
Other liabilities		3,807,842	3,936,377	3,386,036
TOTAL LIABILITIES		101,843,563	95,207,205	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		1,814,959	1,323,700	1,708,632
Fair value reserves		70,437	105,071	91,003
Foreign currency translation reserve		(665,801)	(243,711)	(411,131)
Other reserves		1,197,440	910,428	1,098,090
Other equity		(686,540)	(707,398)	(723,721)
Retained earnings		899,662	1,273,807	1,449,313
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK		14,743,243	14,478,047	15,028,336
Non-controlling interests		546,908	703,463	667,777
Instrument eligible for additional capital		2,000,000	2,000,000	2,000,000
TOTAL EQUITY		17,290,151	17,181,510	17,696,113
TOTAL LIABILITIES AND EQUITY		119,133,714	112,388,715	115,652,348

The condensed consolidated interim financial information was approved by the Board of Directors on 13 July 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.

The Commercial Bank (Q.S.C.)

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2015

QAR '000s

	Note	Three months ended		Six months ended	
		30-Jun-15 Reviewed	30-Jun-14 Reviewed	30-Jun-15 Reviewed	30-Jun-14 Reviewed
Interest income		1,061,013	1,180,093	2,105,834	2,304,923
Interest expense		(434,250)	(527,407)	(853,532)	(1,031,463)
Net interest income		626,763	652,686	1,252,302	1,273,460
Fee and commission income		370,338	361,987	663,607	638,077
Fee and commission expense		(77,546)	(90,993)	(143,143)	(155,579)
Net fee and commission income		292,792	270,994	520,464	482,498
Net foreign exchange gain		55,770	24,274	93,800	66,488
Income from investment securities		44,441	83,849	74,616	104,370
Other operating income		102,610	27,874	133,425	68,608
Net operating income		1,122,376	1,059,677	2,074,607	1,995,424
Staff costs		(212,964)	(212,244)	(424,517)	(427,925)
Depreciation		(36,965)	(38,670)	(75,414)	(76,558)
Amortization of intangible assets		(13,128)	(17,527)	(26,213)	(35,054)
Impairment loss on investment securities		(6,042)	(20,668)	(12,157)	(29,112)
Net impairment loss on loans and advances to customers		(205,997)	(206,453)	(376,188)	(257,289)
Other expenses		(159,737)	(152,988)	(297,181)	(288,798)
Profit before share of results of associates		487,543	411,127	862,937	880,688
Share of results of associates		117,159	101,834	216,619	193,504
Profit before tax		604,702	512,961	1,079,556	1,074,192
Income tax expenses		(15,644)	(10,868)	(27,953)	(23,643)
Profit for the period		589,058	502,093	1,051,603	1,050,549
Attributable to:					
Equity holders of the Bank		572,259	489,776	1,024,625	1,023,711
Non-controlling interests		16,799	12,317	26,978	26,838
Profit for the period		589,058	502,093	1,051,603	1,050,549
Earnings per share					
Basic/diluted earnings per share (QAR)	15	1.66	1.41	2.95	2.95

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2015**

QAR '000s

	Three months ended		Six months ended	
	30-Jun-15 Reviewed	30-Jun-14 Reviewed	30-Jun-15 Reviewed	30-Jun-14 Reviewed
Profit for the period	589,058	502,093	1,051,603	1,050,549
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	(79,602)	29,767	(360,638)	(14,442)
Share of other comprehensive income of investment in associates	7,268	(2,802)	1,487	5,831
Net movement in fair value of available-for-sale investments:				
- Change in fair value	(42,738)	141,324	20,203	271,777
- Amount transferred to profit and loss	(35,650)	(7,352)	(46,568)	(26,013)
Other comprehensive income for the period	(150,722)	160,937	(385,516)	237,153
Total comprehensive income for the period	438,336	663,030	666,087	1,287,702
Attributable to:				
Equity holders of the bank	441,541	643,045	745,077	1,264,584
Non-controlling interests	(3,205)	19,985	(78,990)	23,118
Total comprehensive income for the period	438,336	663,030	666,087	1,287,702

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 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	-	-	-	-	-	-	-	-	1,024,625	1,024,625	26,978	-	1,051,603
Profit for the period	-	-	-	-	(24,878)	(254,670)	-	-	-	(279,548)	(105,968)	-	(385,516)
Other comprehensive income	-	-	-	-	(24,878)	(254,670)	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(24,878)	(254,670)	-	-	1,024,625	745,077	(78,990)	-	666,087
Transfer to risk reserve	-	-	-	106,327	-	-	-	-	(79,607)	26,720	(26,720)	-	-
Dividend for instrument eligible for additional capital	-	-	-	-	-	-	-	-	(60,000)	(60,000)	-	-	(60,000)
Net movement in other reserves	-	-	-	-	-	-	99,350	-	(99,350)	-	-	-	-
Transactions with equity holders, recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions by and distributions to equity holders:	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in share capital	-	-	-	-	-	-	-	37,181	-	37,181	-	-	37,181
Increase in legal reserve	-	-	-	-	-	-	-	-	(1,336,211)	(1,002,094)	-	-	(1,002,094)
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	-	-	-	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to equity holders	296,936	-	-	-	-	-	-	37,181	(1,336,211)	(1,002,094)	-	-	(1,002,094)
Net movement in non-controlling interests	-	-	-	-	4,312	-	-	-	892	5,204	(15,159)	-	(9,955)
Balance as at 30 June 2015	3,266,292	8,820,294	26,500	1,814,959	70,437	(665,801)	1,197,440	(686,540)	899,662	14,743,243	546,908	2,000,000	17,290,151

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 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	-	-	-	-	-	-	-	-	1,023,711	1,023,711	26,838	-	1,050,549
Profit for the period	-	-	-	-	-	(10,723)	-	-	-	240,873	(3,720)	-	237,153
Other comprehensive income	-	-	-	-	251,596	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	251,596	(10,723)	-	-	1,023,711	1,264,584	23,118	-	1,287,702
Transfer to risk reserve	-	-	-	7,400	-	-	-	-	(7,400)	-	-	-	-
Dividend for instrument eligible for additional capital	-	-	-	-	-	-	-	-	(60,000)	(60,000)	-	-	(60,000)
Net movement in other reserves	-	-	-	-	-	-	74,588	-	(74,588)	-	-	-	-
Transactions with equity holders, recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions by and distributions to equity holders:	-	-	-	-	-	-	-	(194,637)	-	(194,637)	-	-	(194,637)
Increase in share capital	-	-	-	-	-	-	-	-	-	-	88,209	-	88,209
Increase in legal reserve	-	35	-	-	-	-	-	-	-	35	-	-	35
Dividend for the year 2013	-	-	-	-	-	-	-	-	(494,894)	(494,894)	-	-	(494,894)
Bonus share issue for 2013	494,892	-	-	-	-	-	-	-	(494,892)	-	-	-	-
Put option on Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to equity holders	494,892	35	-	-	-	-	-	(194,637)	(989,786)	(689,496)	88,209	-	(601,287)
Net movement in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2014	2,969,356	8,820,294	26,500	1,323,700	105,071	(243,711)	910,428	(707,398)	1,273,807	14,478,047	703,463	2,000,000	17,181,510

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

The Commercial Bank (Q.S.C.)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

QAR '000s

	Six months ended		Year ended
	30-Jun-15 Reviewed	30-Jun-14 Reviewed	31-Dec-14 Audited
Cash flows from operating activities			
Profit for the period/year before income tax	1,079,556	1,074,192	1,990,659
<i>Adjustments for:</i>			
Net impairment loss on loans and advances to customers	376,188	257,289	622,818
Impairment loss on investment securities	12,157	29,112	49,811
Depreciation	75,414	76,558	143,261
Amortization of intangible assets	26,213	35,054	52,657
Amortization of transaction costs on borrowings	11,528	12,998	27,850
Gain/loss on investment securities at fair value through profit or loss	781	10,474	(2,179)
Net gain on disposal of available-for-sale securities	(60,535)	(103,567)	(166,787)
Gain on disposal of property and equipment	(89,761)	-	(138)
Gain on disposal of other assets	-	-	(16,964)
Share of results of associates	(216,619)	(193,504)	(381,166)
Operating profit before working capital changes	<u>1,214,922</u>	<u>1,198,606</u>	<u>2,319,822</u>
Working capital changes			
Change in due from banks	(1,413,438)	193,788	(2,613,438)
Change in loans and advances to customers	(3,369,953)	(2,773,812)	(7,658,614)
Change in other assets	(202,892)	(72,706)	336,868
Change in due to banks	499,219	(3,753,498)	1,694,420
Change in customer deposits	3,828,512	(3,571,830)	(1,010,400)
Change in other liabilities	666,546	379,665	(150,517)
Contribution to social and sports activities support fund	(48,505)	(40,135)	(40,135)
Cash from / (used in) operations	<u>1,174,411</u>	<u>(8,439,922)</u>	<u>(7,121,994)</u>
Income tax paid	(23,698)	(15,424)	(44,015)
Net cash from operating activities	<u>1,150,713</u>	<u>(8,455,346)</u>	<u>(7,166,009)</u>
Cash flows from investing activities			
Acquisition of investment securities	(6,580,281)	(7,861,576)	(11,035,104)
Proceeds from redemption of capital from investment in associate	-	-	7,500
Dividend received from associates	117,269	118,916	118,916
Proceeds from sale/maturity of investment securities	3,166,904	7,891,965	14,257,835
Acquisition of property and equipment and intangible assets	(75,953)	(97,161)	(183,385)
Proceeds from the sale of property and equipment	124,804	-	909
Proceeds from the sale of other assets	-	-	16,964
Net cash (used in)/ from investing activities	<u>(3,247,257)</u>	<u>52,144</u>	<u>3,183,635</u>
Cash flows from financing activities			
Proceeds from issue of debt securities	1,081,997	2,710,535	4,064,863
Repayment of debt securities	(677,675)	(85,282)	(4,020,435)
Repayment of other borrowings	(2,366,376)	(2,115,415)	(4,425,817)
Proceeds from other borrowings	3,147,632	4,493,255	6,835,137
Dividends paid	(1,039,275)	(494,893)	(494,892)
Net cash from financing activities	<u>146,303</u>	<u>4,508,200</u>	<u>1,958,856</u>
Net decrease in cash and cash equivalents	<u>(1,950,241)</u>	<u>(3,895,002)</u>	<u>(2,023,518)</u>
Effect of exchange rate fluctuation	(173,021)	(28,648)	(91,479)
Cash and cash equivalents as at 1 January	12,749,676	14,864,674	14,864,674
Cash and cash equivalents at the end of the period/year (note 17)	<u>10,626,414</u>	<u>10,941,024</u>	<u>12,749,677</u>
Operational cash flows from interest and dividend:			
Interest paid	777,313	547,081	1,158,924
Interest received	2,088,135	1,659,244	3,162,607
Dividend received	14,862	11,277	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 is 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-Jun-15	30-Jun-14
Alternatifbank A.S. ("ABank") Commercialbank	Turkey	TRY 620,000,000	Banking services	74.87%	74.24%
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 six months ended 30 June 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

(b) Estimates and judgements

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

In preparing the condensed consolidated interim financial information, significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2014.

(c) Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2014.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of the condensed consolidated interim financial information are the same as those followed in the preparation of the Group's consolidated financial statements as at and for the ended 31 December 2014, except as noted below:

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

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

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

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
30 JUNE 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 June 2015	Commercial Bank			Subsidiaries				Total
	Wholesale Banking	Retail Banking	Commercial Bank	A Bank	Others	Unallocated	Total	
Net interest income	584,085	428,316	1,012,401	274,399	1,600	(36,098)	1,252,302	
Net fee, commission and other income	301,767	234,302	536,069	156,498	14,235	115,503	822,305	
Segmental revenue	885,852	662,618	1,548,470	430,897	15,835	79,405	2,074,607	
Impairment loss on investment securities	(12,157)	-	(12,157)	-	-	-	(12,157)	
Net impairment loss on loans and advances to customers	(234,405)	(54,413)	(288,818)	(87,113)	(257)	-	(376,188)	
Segmental profit			672,334	106,585	6,781	49,284	834,984	
Share of results of associates							216,619	
Net profit for the period							1,051,603	
Other information								
Assets	72,112,001	19,291,495	91,403,496	17,793,456	258,102	5,130,996	114,586,050	
Investments in associates	-	-	-	-	-	-	4,547,664	
Liabilities	68,050,875	16,610,360	84,661,235	16,405,360	45,102	731,866	101,843,563	
Contingent items	27,321,750	43,779	27,365,529	4,658,485	-	-	32,024,014	

Intra-group transactions are eliminated from this segmental information (Assets: QAR 1,783 million, Liabilities: QAR 386 million).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
30 JUNE 2015

QAR '000s

4. SEGMENT INFORMATION (continued)

30 June 2014

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

Intra-group transactions are eliminated from this segmental information (Assets: QAR1,869 million, Liabilities: QAR 713 million).

5. LOANS AND ADVANCES TO CUSTOMERS

Loans and advances to customers comprises:

	30-Jun-15	30-Jun-14	31-Dec-14
	Reviewed	Reviewed	Audited
Loans	70,250,712	67,146,520	69,343,221
Overdrafts	3,797,433	3,433,594	4,597,622
Bills discounted	372,207	303,289	360,315
Bankers acceptances	416,734	401,881	383,079
	<u>74,837,086</u>	<u>71,285,284</u>	<u>74,684,237</u>
Deferred profit	(32,888)	(60,276)	(43,228)
Allowance for impairment of loans and advances to customers	<u>(2,201,986)</u>	<u>(1,833,624)</u>	<u>(2,099,773)</u>
Net loans and advances to customers	<u>72,602,212</u>	<u>69,391,384</u>	<u>72,541,236</u>

The aggregate amount of non-performing loans and advances to customers at 30 June 2015 amounted to QAR 2,540 million which represents 3.40% of total loans and advances to customers (30 June 2014: QAR 2,723 million, 3.82% 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 425 million of interest in suspense (30 June 2014: QAR 240 million; 31 December 2014: QAR 297 million).

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

6. INVESTMENT SECURITIES

Investment securities comprise the following:

	30-Jun-15	30-Jun-14	31-Dec-14
	Reviewed	Reviewed	Audited
Available-for-sale	14,812,060	14,720,539	11,503,217
Investment securities designated at fair value through income statement	70,504	200,033	118,021
Total	<u>14,882,564</u>	<u>14,920,572</u>	<u>11,621,238</u>

The carrying value of investment securities pledged under Repurchase agreements (REPO) is QAR 2,046 million (30 June 2014: QAR 3,007 million; 31 December 2014: QAR 1,439 million).

During the six months ended 30 June 2015, Government Treasury bills amounting to QAR 4,893 million were purchased and QAR 1,730 million were 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-Jun-15 Reviewed		30-Jun-14 Reviewed		31-Dec-14 Audited	
			%		%		%
National Bank of Oman (S.A.O.G.)	Oman	1,817,994	34.9%	1,698,480	34.9%	1,787,144	34.9%
United Arab Bank (P.J.S.C.)	UAE	2,723,338	40.0%	2,566,715	40.0%	2,651,410	40.0%
Asteco Qatar L.L.C.*	Qatar	1,264	30.0%	1,510	30.0%	1,395	30.0%
Massoun Insurance Services L.L.C.	Qatar	5,068	50.0%	4,682	50.0%	6,877	50.0%
		4,547,664		4,271,387		4,446,826	

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

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

During the six months ended 30 June 2015, the Group acquired assets with a cost of QAR 76 million (30 June 2014: QAR 97 million; 31 December 2014: QAR 176 million).

Assets disposal made by the Group during the six months ended 30 June 2015 at original cost of QAR 53 million (30 June 2014: QAR nil; 31 December 2014: QAR 7 million).

9. DUE TO BANKS

	30-Jun-15 Reviewed	30-Jun-14 Reviewed	31-Dec-14 Audited
Balances due to central banks	72,800	218,400	364,000
Current accounts	389,529	1,667,373	606,192
Placements with banks	12,002,225	4,567,080	11,912,257
Repurchase agreements with banks (REPO)	1,807,368	2,874,958	1,242,057
Total	14,271,922	9,327,811	14,124,506

10. CUSTOMERS' DEPOSITS

	30-Jun-15 Reviewed	30-Jun-14 Reviewed	31-Dec-14 Audited
Current and call deposits	18,028,841	16,160,281	17,635,842
Saving deposits	5,701,026	9,142,607	5,343,913
Time deposits	40,396,809	34,534,970	38,581,464
Total	64,126,676	59,837,858	61,561,219

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11. DEBT SECURITIES

	30-Jun-15	30-Jun-14	31-Dec-14
	Reviewed	Reviewed	Audited
EMTN Programme – Senior Notes	4,519,427	4,514,290	4,514,279
Senior Notes	1,023,671	4,037,968	1,335,648
Subordinated Notes	3,117,677	2,691,302	2,677,276
CHF Fixed Rate Bonds	1,096,883	1,158,535	1,017,593
Total	<u>9,757,658</u>	<u>12,402,095</u>	<u>9,544,796</u>

The table below shows the maturity profile of debt securities:

	30-Jun-15	30-Jun-14	31-Dec-14
	Reviewed	Reviewed	Audited
Up to 1 year	1,220,908	3,960,399	1,448,427
Between 1 and 3 years	1,809,220	3,039,860	1,806,462
Over 3 years	6,727,530	5,401,836	6,289,907
Total	<u>9,757,658</u>	<u>12,402,095</u>	<u>9,544,796</u>

12. OTHER BORROWINGS

	30-Jun-15	30-Jun-14	31-Dec-14
	Reviewed	Reviewed	Audited
Bilateral loans	6,245,262	6,077,581	2,002,069
Syndicate loans	3,634,203	3,625,483	3,629,880
Others	-	-	3,707,729
Total	<u>9,879,465</u>	<u>9,703,064</u>	<u>9,339,678</u>

The table below shows the maturity profile of other borrowings:

	30-Jun-15	30-Jun-14	31-Dec-14
	Reviewed	Reviewed	Audited
Up to 1 year	5,723,925	3,773,128	3,770,556
Between 1 and 3 years	2,518,455	5,135,257	5,068,645
Over 3 years	1,637,085	794,679	500,477
Total	<u>9,879,465</u>	<u>9,703,064</u>	<u>9,339,678</u>

13. SHARE CAPITAL

	30-Jun-15 Reviewed	30-Jun-14 Reviewed	31-Dec-14 Audited
Authorised number of ordinary shares (Nominal value of ordinary shares QAR 10 each)	<u>326,629,210</u>	<u>296,935,646</u>	<u>296,935,646</u>
Issued and paid up capital (in thousands of Qatar Riyals)	<u>3,266,292</u>	<u>2,969,356</u>	<u>2,969,356</u>

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

14. DIVIDEND

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

15. EARNINGS PER SHARE

	Three months ended		Six months ended	
	30-Jun-15 Reviewed	30-Jun-14 Reviewed	30-Jun-15 Reviewed	30-Jun-14 Reviewed
Basic and diluted				
Profit attributable to equity holders	572,259	489,776	1,024,625	1,023,711
Less: Dividend on instrument eligible for additional capital	(30,000)	(30,000)	(60,000)	(60,000)
Profit for EPS computation	<u>542,259</u>	<u>459,776</u>	<u>964,625</u>	<u>963,711</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>1.66</u>	<u>1.41</u>	<u>2.95</u>	<u>2.95</u>

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

	Three months ended		Six months ended	
	30-Jun-15 Reviewed	30-Jun-14 Reviewed	30-Jun-15 Reviewed	30-Jun-14 Reviewed
Qualifying ordinary shares at the beginning of the period	296,935	296,935	296,935	296,935
Effect of bonus share issued	29,694	29,694	29,694	29,694
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>

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16. CONTINGENT LIABILITIES AND OTHER COMMITMENTS	30-Jun-15 Reviewed	30-Jun-14 Reviewed	31-Dec-14 Audited
a) Contingent liabilities			
Unused facilities	5,613,612	8,598,619	6,156,369
Guarantees	22,575,064	21,110,367	21,449,106
Letters of credit	3,835,338	3,914,439	4,046,513
Total	<u>32,024,014</u>	<u>33,623,425</u>	<u>31,651,988</u>
b) Other commitments			
Forward foreign exchange contracts and other derivatives at notional value	28,795,861	23,496,497	16,002,708
Capital commitments	539,458	411,311	399,857
Total	<u>29,335,319</u>	<u>23,907,808</u>	<u>16,402,565</u>
17. CASH AND CASH EQUIVALENTS			
	30-Jun-15 Reviewed	30-Jun-14 Reviewed	31-Dec-14 Audited
Cash and balances with central banks *	3,933,299	1,572,997	2,803,095
Due from banks up to 90 days	6,693,115	9,368,027	9,946,582
	<u>10,626,414</u>	<u>10,941,024</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- June-2015			
Derivative assets	-	244,390	244,390
Investment securities	<u>1,470,455</u>	<u>13,152,955</u>	<u>14,882,564</u>
	<u>1,470,455</u>	<u>13,397,345</u>	<u>15,126,954</u>
Derivative liabilities	-	188,199	188,199
	-	188,199	188,199
31-Dec-2014			
Derivative assets	-	223,757	223,757
Investment securities	<u>1,746,411</u>	<u>9,628,708</u>	<u>11,621,238</u>
	<u>1,746,411</u>	<u>9,852,465</u>	<u>11,844,995</u>
Derivative liabilities	-	209,300	209,300
	-	209,300	209,300

All unquoted available for sale equities and investment funds are recorded at fair value except for investments with a carrying value of QAR 259 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-Jun-15	30-Jun-14	31-Dec-14
	Reviewed	Reviewed	Audited
Board members of the bank			
- Loans, advances and financing activities (a)	2,036,972	1,475,256	1,646,600
- Deposits	151,901	323,738	272,589
- Contingent liabilities and other commitments	5,353	14,380	5,603
- Interest and fee income	4,033	5,188	10,532
- Interest paid on deposits accounts of board members	3,720	5,775	9,495
- Remuneration, meeting attendance fees and salaries paid to board members	-	1,190	19,190
Associated companies			
- Due to banks	41,241	13,574	95,313
- Due from banks	608,627	251,389	506,181
- Loans and advances	179	-	-
- Deposits	10,042	9,910	12,363
- Associates contingent liabilities to the Group	762,225	759,383	757,271
- Interest income earned from associates	237	1,042	1,124
- Interest income incurred to associates	177	182	404
Senior management of the bank			
- Remuneration and other benefits	29,153	50,095	97,238
- Loans and advances	10,819	18,830	9,366

- (a) A significant portion of the loans, advances and financing activities' balance at 30 June 2015 with the members of the Board and the companies in which they have significant influence are secured against tangible collateral or personal guarantees. Moreover, the loans, advances and financing activities' are performing satisfactorily honoring all obligations.

20. COMPARATIVES

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