



**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
AS AT AND FOR THE THREE MONTHS ENDED 31 MARCH 2013**

## **CONTENTS**

### **CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

	Page
Independent auditors' report	2
Condensed consolidated statement of financial position	3
Condensed consolidated income statement	4
Condensed consolidated statement of comprehensive income	5
Condensed Consolidated statement of changes in equity	6 – 7
Condensed Consolidated statement of cash flows	8
Notes to the condensed consolidated interim financial information	9 – 20



**KPMG**  
**Audit**  
2nd Floor  
Area 25, C Ring Road  
PO Box 4473, Doha  
State of Qatar

Telephone +974 4457 6444  
Fax +974 4442 5626  
Website [www.kpmg.com.qa](http://www.kpmg.com.qa)

## **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 31 March 2013 condensed consolidated interim financial information of Commercial Bank of Qatar Q.S.C. ("the Bank") and its subsidiaries (together "the Group"), which comprises:

- the condensed consolidated statement of financial position as at 31 March 2013;
- the condensed consolidated income statement for the three months ended 31 March 2013;
- the condensed consolidated statement of comprehensive income for the three months ended 31 March 2013;
- the condensed consolidated statement of changes in equity for the three months ended 31 March 2013;
- the condensed consolidated statement of cash flows for the three months ended 31 March 2013; and
- notes to the condensed consolidated interim financial information

The Board of Directors of the Bank is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting' and applicable provisions of the Qatar Central Bank regulations. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

### **Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2013 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.

### **Other matter**

The 31 March 2012 condensed consolidated interim financial information was reviewed, and the consolidated financial statements as at and for the year ended 31 December 2012 were audited, by another auditor whose review report dated 22 April 2012 and audit report dated 27 January 2013 respectively, expressed an unmodified review conclusion and an unmodified audit opinion thereon.

17 April 2013  
Doha  
State of Qatar

  
Gopal Balasubramaniam  
KPMG  
Qatar Auditors Registry Number 251

The Commercial Bank of Qatar (Q.S.C.)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2013**

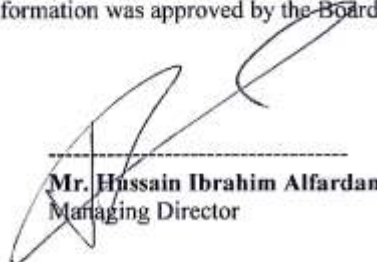
**QAR '000s**

	Notes	31-Mar-13 Reviewed	31-Mar-12 Reviewed	31-Dec-12 Audited
<b>ASSETS</b>				
Cash and balances with central bank		3,392,192	2,422,668	3,448,128
Due from banks		12,607,787	5,948,371	9,731,562
Loans and advances to customers	5	51,427,227	42,225,163	48,594,475
Investment securities	6	10,879,699	13,001,315	11,162,179
Investment in associates	7	4,020,779	3,847,770	4,054,157
Property and equipment	8	1,187,232	1,078,524	1,197,069
Other assets		2,073,064	1,597,655	1,850,182
<b>TOTAL ASSETS</b>		<b>85,587,980</b>	<b>70,121,466</b>	<b>80,037,752</b>
<b>LIABILITIES</b>				
Due to banks	9	11,470,508	6,940,190	9,855,682
Customer deposits	10	46,182,617	37,855,644	41,385,546
Debt securities	11	8,667,481	6,886,229	8,705,816
Other borrowings	12	3,472,635	3,467,901	3,471,515
Other liabilities		1,893,196	1,642,961	1,679,815
<b>TOTAL LIABILITIES</b>		<b>71,686,437</b>	<b>56,792,925</b>	<b>65,098,374</b>
<b>EQUITY</b>				
Share capital	13	2,474,464	2,474,464	2,474,464
Legal reserve		8,740,540	8,740,540	8,740,540
General reserve		26,500	26,500	26,500
Risk reserve		1,230,700	805,600	924,600
Fair value reserves		104,387	43,144	163,225
Other reserves		641,548	468,281	673,604
Proposed dividend	14	-	-	1,484,678
Retained earnings		683,404	770,012	451,767
<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK</b>		<b>13,901,543</b>	<b>13,328,541</b>	<b>14,939,378</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>85,587,980</b>	<b>70,121,466</b>	<b>80,037,752</b>

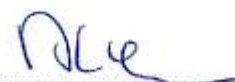
The condensed consolidated interim financial information was approved by the Board of Directors on 17 April 2013 and was signed on its behalf by:



**HE Abdullah bin Khalifa Al Attiyah**  
Chairman



**Mr. Hussain Ibrahim Alfardan**  
Managing Director



**Mr. A C Stevens**  
Group Chief Executive Officer

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

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

**QAR '000s**

	Notes	Three months ended	
		31-Mar-13 Reviewed	31-Mar-12 Reviewed
Interest income		703,996	714,828
Interest expense		(250,202)	(237,177)
<b>Net interest income</b>		<b>453,794</b>	<b>477,651</b>
Fee and commission income		195,711	175,502
Fee and commission expense		(32,714)	(46,854)
<b>Net fee and commission income</b>		<b>162,997</b>	<b>128,648</b>
Foreign exchange gain		39,317	35,149
Income from investment securities		75,534	25,516
Other operating income		20,869	13,033
<b>Net operating income</b>		<b>752,511</b>	<b>679,997</b>
Staff costs		(130,134)	(117,539)
Depreciation		(33,114)	(28,129)
Impairment loss on investment securities		(10,027)	(5,968)
Net impairment loss on loans and advances to customers		(59,461)	(44,623)
Other expenses		(80,767)	(65,731)
<b>Profit before share of results of associates</b>		<b>439,008</b>	<b>418,007</b>
Share of results of associates		66,673	53,224
<b>Profit for the period</b>		<b>505,681</b>	<b>471,231</b>
<b>Profit for the period attributable to:</b>			
Equity holders of the Bank		<b>505,681</b>	<b>471,231</b>
<b>Earnings per share</b>			
Basic earnings per share (QAR per share)	15	<b>2.04</b>	1.90

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

**QAR '000s**

	<b>Three months ended</b>	
	<b>31-Mar-13</b>	<b>31-Mar-12</b>
	<b>Reviewed</b>	<b>Reviewed</b>
<b>Profit for the period</b>	<u>505,681</u>	<u>471,231</u>
<b>Other comprehensive income for the period:</b>		
<b>Items that are, or may subsequently be, reclassified to profit or loss:</b>		
Share of other comprehensive income of investment in associates	(1,322)	9,648
Net movement in fair value of available-for-sale investments:		
- Change in fair value	(23,835)	111,473
- Amount transferred to profit and loss	(33,681)	(9,429)
<b>Other comprehensive income for the period</b>	<u>(58,838)</u>	<u>111,692</u>
<b>Total comprehensive income for the period</b>	<u>446,843</u>	<u>582,923</u>
<b>Total comprehensive income for the period attributable to:</b>		
Equity holders of the Bank	<u>446,843</u>	<u>582,923</u>

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

**QAR '000s**

Notes	Share capital	Legal reserve	General reserve	Risk reserve	Fair value reserves	Other reserves	Retained earnings		Total equity
							Proposed dividend	Others	
<b>Balance as at 1 January 2013</b>	2,474,464	8,740,540	26,500	924,600	163,225	673,604	1,484,678	451,767	14,939,378
<b>Total comprehensive income for the period</b>									
Profit for the period	-	-	-	-	-	-	-	505,681	505,681
Other comprehensive income	-	-	-	-	(58,838)	-	-	-	(58,838)
<b>Total comprehensive income for the period</b>	-	-	-	-	(58,838)	-	-	505,681	446,843
Transfer to risk reserve	-	-	-	306,100	-	-	-	(306,100)	-
Net movement in other reserves	-	-	-	-	-	(32,056)	-	32,056	-
<b>Transactions with equity holders, recognised directly in equity</b>									
Contributions by and distributions to equity holders:									
Dividends for the year 2012 (note 14)	-	-	-	-	-	-	(1,484,678)	-	(1,484,678)
<b>Total contributions by and distributions to equity holders</b>	-	-	-	-	-	-	(1,484,678)	-	(1,484,678)
<b>Balance as at 31 March 2013</b>	<b>2,474,464</b>	<b>8,740,540</b>	<b>26,500</b>	<b>1,230,700</b>	<b>104,387</b>	<b>641,548</b>	<b>-</b>	<b>683,404</b>	<b>13,901,543</b>

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

**QAR '000s**

Notes	Share capital	Legal reserve	General reserve	Risk reserve	Fair value reserves	Other reserves	Retained earnings		Total equity
							Proposed dividend	Other	
Balance as at 1 January 2012	2,474,464	8,740,540	26,500	805,600	(68,548)	556,456	1,484,678	210,606	14,230,296
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	-	471,231	471,231
Other comprehensive income	-	-	-	-	111,692	-	-	-	111,692
Total comprehensive income for the period	-	-	-	-	111,692	-	-	471,231	582,923
Net movement in other reserves	-	-	-	-	-	(88,175)	-	88,175	-
<b>Transactions with equity holders, recognised directly in equity</b>									
Contributions by and distributions to equity holders:									
Increase in share capital	-	-	-	-	-	-	-	-	-
Increase in legal reserve	-	-	-	-	-	-	-	-	-
Dividends for the year 2011 (note 14)	-	-	-	-	-	-	(1,484,678)	-	(1,484,678)
Total contributions by and distributions to equity holders	-	-	-	-	-	-	(1,484,678)	-	(1,484,678)
Balance as at 31 March 2012	2,474,464	8,740,540	26,500	805,600	43,144	468,281	-	770,012	13,328,541

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



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

**QAR '000s**

	<b>Three months ended</b>		Year ended
	<b>31-Mar-13</b>	31-Mar-12	31-Dec-12
	<b>Reviewed</b>	Reviewed	Audited
<b>Cash flows from operating activities</b>			
Profit for the period/year	<b>505,681</b>	471,231	2,012,294
<i>Adjustments for:</i>			
Net impairment loss on loans and advances to customers	59,461	44,623	139,944
Impairment loss on investment securities	10,027	5,968	61,917
Depreciation	33,114	28,129	121,948
Amortization of transaction costs	5,295	4,096	20,527
Gain on investment securities at fair value through profit or loss	(704)	-	(2,664)
Net gain on disposal of available-for-sale securities	(65,854)	(16,719)	(337,161)
Gain on disposal of property and equipment	-	-	(364)
Share of results of associates	(66,673)	(53,224)	(258,546)
Operating profit before working capital changes	<b>480,347</b>	484,104	1,757,895
Working capital changes			
Change in due from banks	(539,748)	132,156	(2,186,297)
Change in loans and advances to customers	(2,892,213)	(655,982)	(7,022,636)
Change in other assets	(265,392)	(249,255)	(475,217)
Change in due to banks	(28,994)	591,028	597,752
Change in customer deposits	4,797,071	(133,039)	3,396,863
Change in other liabilities	263,688	411,757	300,325
Contribution to social and sports activities support fund	(50,307)	(47,099)	(47,099)
	<b>1,284,105</b>	49,566	(5,436,309)
<b>Net cash from / (used in) operating activities</b>	<b>1,764,452</b>	533,670	(3,678,414)
<b>Cash flows from investing activities</b>			
Acquisition of investment securities	(1,200,172)	(1,470,636)	(7,031,632)
Dividend received from associates	98,729	141,399	141,398
Proceeds from sale/maturity of investment securities	1,482,014	329,661	8,101,244
Acquisition of property and equipment	(23,624)	(39,318)	(248,690)
Proceeds from the sale of property and equipment	-	-	365
<b>Net cash from / (used in) investing activities</b>	<b>356,947</b>	(1,038,894)	962,685
<b>Cash flows from financing activities</b>			
Proceeds from issue of debt securities	-	-	1,791,934
Repayment of other borrowings	-	(2,366,000)	(2,366,000)
Proceeds from other borrowings	-	1,650,218	1,650,219
Dividends paid	(1,484,678)	(1,484,678)	(1,484,678)
<b>Net cash used in financing activities</b>	<b>(1,484,678)</b>	(2,200,460)	(408,525)
<b>Net decrease in cash and cash equivalents</b>	<b>636,721</b>	(2,705,684)	(3,124,254)
Cash and cash equivalents as at 1 January	703,465	3,827,719	3,827,719
<b>Cash and cash equivalents at the end of the period/year (note17)</b>	<b>1,340,186</b>	1,122,035	703,465
<b>Operational cash flows from interest and dividend:</b>			
Interest paid	146,488	149,204	1,002,400
Interest received	639,954	658,221	2,872,323
Dividend received	8,976	8,797	26,147

The attached notes 1 to 21 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 1975 as a public shareholding company under Emiri Decree No.73 of 1974. The commercial registration 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 credit card business and operates through its head office and 28 branches established in the State of Qatar.

**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.

This 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 2012. The results for the three months ended 31 March 2013 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2013.

**(b) Estimates and judgements**

The preparation of interim financial statements 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 this 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 2012.

**(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 2012.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted in the preparation of the interim condensed consolidated financial information are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012, 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 2013. The new standards do not have any material impact to the Group, but they will result in extensive additional disclosures:

- IAS 1 (amendment) - Presentation of items of other comprehensive income
- IAS 28 (2011) – Investment in Associates and Joint ventures
- Amendments to IFRS 7 and IAS 32 on offsetting financial assets and financial liabilities (2011 )
- IFRS 10 - Consolidated financial statements and IAS 27 Separate Financial Statements (2011)
- IFRS 11 – Joint Arrangements
- IFRS 12 - Disclosures of interests in other entities
- IFRS 13 - Fair value measurement

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
AS AT AND FOR THE THREE MONTHS ENDED 31 MARCH 2013**

**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 March 2013**

	Wholesale Banking	Retail Banking	Total Commercial Banking	Subsidiaries	Unallocated	Total
Net interest income	307,313	146,972	454,285	594	(1,085)	<b>453,794</b>
Net fee, commission and other income	214,352	70,112	284,464	1,846	12,407	<b>298,717</b>
Segmental revenue	<u>521,665</u>	<u>217,084</u>	<u>738,749</u>	<u>2,440</u>	<u>11,322</u>	<u><b>752,511</b></u>
Impairment loss on investment securities	(10,027)	-	(10,027)	-	-	<b>(10,027)</b>
Net impairment loss on loans and advances to customers	<u>(54,394)</u>	<u>(4,980)</u>	<u>(59,374)</u>	<u>(87)</u>	<u>-</u>	<u><b>(59,461)</b></u>
Segmental profit			<b>438,500</b>	<b>(2,085)</b>	<b>2,593</b>	<b>439,008</b>
Share of results of associates						<b>66,673</b>
Net profit for the year						<u><b>505,681</b></u>

**Other information**

Assets	65,603,477	12,931,106	78,534,583	443,935	2,588,683	<b>81,567,201</b>
Investments in associates	-	-	-	-	-	<b>4,020,779</b>
Liabilities	59,232,534	11,995,909	71,228,443	260,704	197,290	<b>71,686,437</b>
Contingent items	25,299,431	665,852	25,965,283	-	-	<b>25,965,283</b>

Intra-group transactions are eliminated from this segmental information (Assets: QAR 600 million, Liabilities: QAR 428 million)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
AS AT AND FOR THE THREE MONTHS ENDED 31 MARCH 2013**

**QAR '000s**

**4. SEGMENT INFORMATION (Continued)**

31 March 2012

	Wholesale Banking	Retail Banking	Total Commercial Banking	Subsidiaries	Unallocated	Total
Net interest income	356,035	122,662	478,697	590	(1,636)	477,651
Net fee, commission and other income	129,428	63,992	193,420	1,385	7,541	202,346
Segmental revenue	485,463	186,654	672,117	1,975	5,905	679,997
Impairment loss on investment securities	(5,968)	-	(5,968)	-	-	(5,968)
Net impairment loss on loans and advances to customers	(43,321)	(1,332)	(44,653)	30	-	(44,623)
Segmental profit			421,312	(934)	(2,371)	418,007
Share of results of associates						53,224
Net profit for the period						471,231
Other information						
Assets	54,276,507	10,025,426	64,301,933	304,828	1,666,935	66,273,696
Investments in associates	-	-	-	-	-	3,847,770
Liabilities	44,816,521	11,782,314	56,598,835	119,470	74,620	56,792,925
Contingent items	18,130,721	760,544	18,891,265	-	-	18,891,265

Intra-group transactions are eliminated from this segmental information (Assets: QAR 472 million, Liabilities: QAR 300 million)

**5. LOANS AND ADVANCES TO CUSTOMERS**

Loans and advances to customers comprises:

	<b>31-Mar-13</b>	31-Mar-12	31-Dec-12
	<b>Reviewed</b>	Reviewed	Audited
Loans	49,353,862	42,064,888	46,996,364
Overdrafts	2,323,713	1,078,518	1,861,600
Bills discounted	265,997	104,970	278,533
Bankers acceptances	360,326	214,551	285,442
	<b>52,303,898</b>	43,462,927	49,421,939
Deferred profit	(178,225)	(638,995)	(200,652)
Specific impairment of loans and advances to customers	(403,545)	(374,340)	(359,992)
Collective impairment allowance	(294,901)	(224,429)	(266,820)
<b>Net loans and advances to customers</b>	<b>51,427,227</b>	42,225,163	48,594,475

The aggregate amount of non-performing loans and advances to customers at 31 March 2013 amounted to QAR 725 million which represents 1.39% of total loans and advances to customers (31 March 2012: QAR 519 million, 1.22% of total loans and advances to customers; 31 December 2012: QAR 539 million, 1.09% of total loans and advances to customers).

Allowance for impairment includes QAR 111 million of interest in suspense (31 March 2012: QAR 77 million; 31 December 2012: QAR 98 million).

**6. INVESTMENT SECURITIES**

Investment securities comprise the following:

	<b>31-Mar-13</b>	31-Mar-12	31-Dec-12
	<b>Reviewed</b>	Reviewed	Audited
Available-for-sale	7,637,766	7,667,767	7,891,087
Held to maturity	3,183,964	5,333,548	3,213,828
Investment securities designated at fair value through income statement	57,969	-	57,264
<b>Total</b>	<b>10,879,699</b>	<b>13,001,315</b>	<b>11,162,179</b>

The carrying value of investment securities pledged under Repurchase agreements (REPO) is QAR 1,819 million (31 March 2012: QAR 2,002 million; 31 December 2012: QAR 1,968 million).

**7. INVESTMENT IN ASSOCIATES**

The Group's investment in associates are as follows:

Associate entity	Country of incorporation	Carrying Value and % of interest held					
		31-Mar-13		31-Mar-12		31-Dec-12	
		Reviewed	%	Reviewed	%	Audited	%
a) National Bank of Oman SAOG	Oman	1,632,501	34.9%	1,510,056	34.9%	1,604,243	34.9%
b) United Arab Bank PJSC	UAE	2,373,699	40.0%	2,324,858	40.0%	2,435,883	40.0%
c) Asteco Qatar L.L.C.	Qatar	1,912	30.0%	2,010	30.0%	1,906	30.0%
d) Gekko L.L.C.	Qatar	-	50.0%	-	50.0%	-	50.0%
e) Massoun Insurance Services L.L.C.	Qatar	12,667	50.0%	10,846	50.0%	12,125	50.0%
<b>Balance at the end of the period/year</b>		<b>4,020,779</b>		<b>3,847,770</b>		<b>4,054,157</b>	

**8. PROPERTY AND EQUIPMENT**

**Acquisitions and disposals**

During the three months ended 31 March 2013, the Group acquired assets with a cost of QAR 24 million (31 March 2012: QAR 39 million; year ended 31 December 2012: QAR 249 million).

There were no disposals made by the Group during the three months ended 31 March 2013 and 31 March 2012 and during year ended 31 December 2012.

**9. DUE TO BANKS**

	31-Mar-13 Reviewed	31-Mar-12 Reviewed	31-Dec-12 Audited
Balances due to central banks	16,380	546,000	16,380
Current accounts	306,635	276,378	583,485
Placements with banks	9,427,925	4,375,974	7,507,255
Repurchase agreements with banks	1,719,568	1,741,838	1,748,562
	<b>11,470,508</b>	<b>6,940,190</b>	<b>9,855,682</b>

**10. CUSTOMER DEPOSITS**

	31-Mar-13 Reviewed	31-Mar-12 Reviewed	31-Dec-12 Audited
Current and call deposits	15,044,445	12,953,831	14,845,171
Saving deposits	3,956,992	3,935,604	3,692,906
Time deposits	27,181,180	20,966,209	22,847,469
	<b>46,182,617</b>	<b>37,855,644</b>	<b>41,385,546</b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
AS AT AND FOR THE THREE MONTHS ENDED 31 MARCH 2013**

**QAR '000s**

**11. DEBT SECURITIES**

	<b>31-Mar-13 Reviewed</b>	31-Mar-12 Reviewed	31-Dec-12 Audited
EMTN Programme – Senior Notes	1,797,207	-	1,796,024
Senior Notes	3,625,458	3,617,111	3,623,332
Subordinated Notes	2,156,713	2,153,665	2,155,929
CHF Fixed Rate Bonds	1,088,103	1,115,453	1,130,531
<b>Total</b>	<b><u>8,667,481</u></b>	<b><u>6,886,229</u></b>	<b><u>8,705,816</u></b>

The table below shows the maturity profile of debt securities:

	<b>31-Mar-13 Reviewed</b>	31-Mar-12 Reviewed	31-Dec-12 Audited
Up to 1 year	-	-	-
Between 1 and 3 years	4,713,561	3,617,111	4,753,863
Over 3 years	3,953,920	3,269,118	3,951,953
<b>Total</b>	<b><u>8,667,481</u></b>	<b><u>6,886,229</u></b>	<b><u>8,705,816</u></b>

**12. OTHER BORROWINGS**

	<b>31-Mar-13 Reviewed</b>	31-Mar-12 Reviewed	31-Dec-12 Audited
Bilateral loans	1,818,806	1,816,904	1,818,345
Club loan	1,653,829	1,650,997	1,653,170
<b>Total</b>	<b><u>3,472,635</u></b>	<b><u>3,467,901</u></b>	<b><u>3,471,515</u></b>

The table below shows the maturity profile of other borrowings:

	<b>31-Mar-13 Reviewed</b>	31-Mar-12 Reviewed	31-Dec-12 Audited
Up to 1 year	3,472,635	182,000	1,818,345
Between 1 and 3 years	-	3,285,901	1,653,170
Over 3 years	-	-	-
<b>Total</b>	<b><u>3,472,635</u></b>	<b><u>3,467,901</u></b>	<b><u>3,471,515</u></b>



**13. SHARE CAPITAL**

	<b>31-Mar-13</b>	31-Mar-12	31-Dec-12
	<b>Reviewed</b>	Reviewed	Audited
Number of shares (Nominal value of ordinary shares QAR 10 each)	247,446,372	247,446,372	247,446,372
Issued and paid up capital (in thousands of Qatar Riyals)	2,474,464	2,474,464	2,474,464

**14. PROPOSED DIVIDEND**

A cash dividend of 60% (or QAR 6 per share) relating to the year ended 31 December 2012 (2011: QAR 6 per share), amounting to QAR 1,485 million (2011: QAR 1,485 million), was approved for distribution to shareholders at the Annual General Assembly held on 26 February 2013.

**15. EARNINGS PER SHARE**

	<b>Three months ended</b>	
	<b>31-Mar-13</b>	31-Mar-12
	<b>Reviewed</b>	Reviewed
<b>Basic and diluted</b>		
Net profit for the period in thousand QAR	505,681	471,231
Weighted average number of outstanding shares in thousands	247,446	247,446
<b>Earnings per share (QAR)</b>	<b>2.04</b>	1.90

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

	<b>Three months ended</b>	
	<b>31-Mar-13</b>	31-Mar-12
	<b>Reviewed</b>	Reviewed
Qualifying shares at the beginning of the period	247,446	247,446
Weighted average number of shares for the period	<b>247,446</b>	247,446

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
AS AT AND FOR THE THREE MONTHS ENDED 31 MARCH 2013**

**QAR '000s**

**16. CONTINGENT LIABILITIES AND OTHER COMMITMENTS**

	<b>31-Mar-13</b>	31-Mar-12	31-Dec-12
	<b>Reviewed</b>	Reviewed	Audited
<b>a) Contingent liabilities</b>			
Unused facilities	6,122,791	6,056,170	5,326,125
Guarantees	13,481,891	9,196,901	12,048,098
Letters of credit	6,360,601	3,638,194	7,541,840
<b>Total</b>	<b><u>25,965,283</u></b>	<b><u>18,891,265</u></b>	<b><u>24,916,063</u></b>
<b>b) Other commitments</b>			
Forward foreign exchange contracts and derivatives at notional value	10,494,939	8,653,510	8,266,187
Capital commitments	310,450	467,353	393,822
<b>Total</b>	<b><u>10,805,389</u></b>	<b><u>9,120,863</u></b>	<b><u>8,660,009</u></b>

**17. CASH AND CASH EQUIVALENTS**

	<b>31-Mar-13</b>	31-Mar-12	31-Dec-12
	<b>Reviewed</b>	Reviewed	Audited
Cash and balances with Central Bank *	1,195,495	625,135	1,457,495
Due from banks up to 90 days	9,895,631	5,695,252	7,353,090
Due to banks up to 90 days	(9,750,940)	(5,198,352)	(8,107,120)
	<b><u>1,340,186</u></b>	<b><u>1,122,035</u></b>	<b><u>703,465</u></b>

\*Cash and balances with Central bank 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:

	<b>Level 1</b>	<b>Level 2</b>	<b>Carrying amount</b>
<b>31 March 2013</b>			
Derivative assets	-	363,551	363,551
Investment securities	456,865	6,884,285	7,695,735
	<b>456,865</b>	<b>7,247,836</b>	<b>8,059,286</b>
Derivative liabilities	-	310,147	310,147
	<b>-</b>	<b>310,147</b>	<b>310,147</b>
<b>31 March 2012</b>			
Derivative assets	-	431,202	431,202
Investment securities	431,268	7,064,489	7,948,351
	<b>431,268</b>	<b>7,495,691</b>	<b>8,379,553</b>
Derivative liabilities	-	349,958	349,958
	<b>-</b>	<b>349,958</b>	<b>349,958</b>

All unquoted available for sale equities and investment funds are recorded at fair value except for investments with a carrying value of QR 355 million (31 December 2012: QR 453 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 operations decisions. The balances at the reporting date with these accounts were as follows:

	<b>31-Mar-13</b>	31-Mar-12	31-Dec-12
	<b>Reviewed</b>	Reviewed	Audited
<b>Board members</b>			
- Loans, advances and financing activities (a)	2,566,838	2,625,543	2,604,579
- Deposits	468,396	295,976	331,283
- Contingent liabilities and other commitments	31,587	8,134	29,507
- Interest and fee income	6,146	7,158	28,126
- Interest paid on deposits accounts of board members	2,265	4,888	10,788
- Remuneration, meeting attendance fees and salaries paid to board members	1,430	1,480	46,080
<b>Associated companies</b>			
- Associates deposit with the Group	36,741	118,422	455,435
- Bank's deposit with the the associates	274,230	292,645	456,520
- Associates contingent liabilities to the Group	303,352	307,024	298,695
<b>Senior management compensation/Transaction</b>			
- Fixed remuneration and other benefits	19,926	16,947	70,279
- Loans and advances (b)	24,192	26,932	24,004

(a) A significant portion of the loans, advances and financing activities' balance at 31 March 2013 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 with all obligations honored as arranged.

(b) No impairment losses have been recorded against balances outstanding during the period with key management personnel, and no specific allowance has been made for impairment losses on balances with key management personnel at the period end.

**20. COMPARATIVES**

Certain amounts in the prior period condensed consolidated interim financial information and supporting note disclosures have been reclassified to conform to the current period condensed consolidated interim financial information format and minimum disclosures in line with 2012 year-end consolidated financial statements as prescribed by the Qatar Central Bank (QCB). However, such reclassifications were not material and did not have an impact on the previously reported consolidated net profit, other comprehensive income or the equity for the comparative period.

For the 2012 year-end consolidated financial statements, the QCB required all banks to bring acceptances onto the consolidated statement of financial position. The Group concluded that it was also appropriate to make the change for the prior period reported numbers. As a result, the comparatives in the condensed consolidated statement of financial position have been restated to include bankers acceptances. The Group has also revised the condensed consolidated statement of financial position for the three months ended 31 March 2012.

The table below details the effect of the adjustments to the condensed consolidated statement of financial position:

	<i>As previously reported</i>	<i>Effect of adjustments</i>	<i>After adjustments</i>
		31 March 2012	
Gross loans and advances to customers	<u>43,248,376</u>	<u>214,551</u>	<u>43,462,927</u>
Other liabilities	<u>1,428,410</u>	<u>214,551</u>	<u>1,642,961</u>
Total assets	<u>69,906,915</u>	<u>214,551</u>	<u>70,121,466</u>
Total liabilities	<u>56,578,374</u>	<u>214,551</u>	<u>56,792,925</u>

**21. ACQUISITION OF ABANK**

The Bank announced on 18 March 2013 that it had agreed to acquire a 70.84% shareholding in Alternatifbank A.S. ("ABank") from Anadolu Endustri Holding A.S. ("Anadolu") for two times the book value at 30 June 2013. The acquisition remains subject to relevant regulatory approval and is expected to be completed in the second half of 2013. As part of the transaction, Commercial Bank will also launch a public tender offer to acquire the 4.16% of ABank's shares held in the public domain.