

Qatar Islamic Bank (S.A.Q)

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2015

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF QATAR ISLAMIC BANK (S.A.Q)

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of Qatar Islamic Bank (S.A.Q) ("QIB" or the "Bank") and its subsidiaries (together referred to as the "Group") as at 31 March 2015 and the related interim consolidated statement of income, interim consolidated statement of changes in equity, interim consolidated statement of changes in restricted investment accounts and interim condensed consolidated statement of cash flows for the three-month period then ended and the related explanatory notes.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the accounting policies disclosed in note 2. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with 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 consist 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with the accounting policies disclosed in note 2.

Ziad Nader
of Ernst & Young
Auditor's Registration No. 258

Date: 15 April 2015
Doha

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	<i>Notes</i>	31 March 2015 (Unaudited) QR'000	31 December 2014 (Audited) QR'000	31 March 2014 (Unaudited) QR'000
Assets				
Cash and balances with central banks		3,914,915	4,933,474	3,348,947
Due from banks		7,447,157	8,931,018	11,833,917
Financing assets	6	64,502,384	59,681,531	49,236,192
Investment securities	7	16,034,536	15,954,396	11,876,966
Investment in associates	8	1,022,811	966,777	731,137
Investment properties		1,152,765	1,216,420	1,505,997
Assets of a subsidiary held for sale	9	54,694	61,361	305,566
Fixed assets		530,178	508,684	571,714
Intangible assets		303,989	306,589	313,123
Other assets		3,738,466	3,546,214	3,601,523
Total assets		<u>98,701,895</u>	<u>96,106,464</u>	<u>83,325,082</u>
Liabilities, equity of unrestricted investment account holders and equity				
Liabilities				
Due to banks		6,995,217	8,104,212	4,711,609
Customers' current accounts		13,957,289	15,124,873	14,246,651
Sukuk financing		5,451,789	5,450,236	5,445,627
Liabilities of a subsidiary held for sale	9	18,604	18,688	215
Other liabilities		1,773,833	1,756,800	1,501,511
Total liabilities		<u>28,196,732</u>	<u>30,454,809</u>	<u>25,905,613</u>
Equity of unrestricted investment account holders	10	<u>56,946,756</u>	<u>51,479,989</u>	<u>44,479,314</u>
Equity				
Share capital		2,362,932	2,362,932	2,362,932
Legal reserve	11	6,370,016	6,370,016	6,370,016
Risk reserve	12	1,369,247	1,369,247	1,084,566
General reserve		81,935	81,935	81,935
Fair value reserve		85,956	93,199	108,882
Foreign currency translation reserve		(17,774)	(29,157)	(50,878)
Other reserves	13	216,820	216,820	212,058
Proposed cash dividends	14	-	1,004,246	-
Retained earnings		1,409,144	1,008,760	1,093,542
Total equity attributable to shareholders of the bank		<u>11,878,276</u>	<u>12,477,998</u>	<u>11,263,053</u>
Non-controlling interests		1,680,131	1,693,668	1,677,102
Total equity		<u>13,558,407</u>	<u>14,171,666</u>	<u>12,940,155</u>
Total liabilities, equity of unrestricted investment account holders and equity		<u>98,701,895</u>	<u>96,106,464</u>	<u>83,325,082</u>

These unaudited interim condensed consolidated financial statements were approved by the Board of Directors on 15 April 2015 and were signed on its behalf by:

Jassim Bin Hamad Bin Jassim Bin Jabor Al Thani
Chairman

Bassel Gamal
Group Chief Executive Officer

The attached notes 1 to 18 form part of these unaudited interim condensed consolidated financial statements

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three months ended 31 March 2015

	<i>Three months ended 31 March 2015 (Unaudited) QR'000</i>	<i>Three months ended 31 March 2014 (Unaudited) QR'000</i>
Net income from financing activities	673,302	580,185
Net income from investing activities	143,725	147,540
Total income from financing and investing activities	817,027	727,725
Fee and commission income	125,001	106,588
Fee and commission expense	(24,617)	(20,950)
Net fee and commission income	100,384	85,638
Net foreign exchange gain	22,480	16,301
Share of results of associates	5,167	4,591
Other income	5,278	5,297
Total income	950,336	839,552
Staff costs	(144,243)	(126,642)
Depreciation and amortisation	(19,633)	(18,443)
Sukuk holders' share of profit	(43,380)	(43,380)
Other expenses	(86,505)	(74,973)
Total expenses	(293,761)	(263,438)
Net impairment losses on investment securities and properties	(50,200)	(65,000)
Net impairment losses on financing assets	(24,077)	(21,167)
Other impairment losses	(1,342)	(3,926)
Net profit for the period from continuing operations before tax	580,956	486,021
Discontinued operations		
Profit from a subsidiary held for sale	7,319	5,747
Net profit for the period before return to unrestricted investment account holders and tax	588,275	491,768
Return to unrestricted investment account holders before the Bank's share as Mudarib	(360,091)	(228,738)
Bank's share as Mudarib	187,799	98,929
Net return to unrestricted investment account holders	(172,292)	(129,809)
Net profit for the period before tax	415,983	361,959
Tax (expense)/ credit	(3,613)	4,136
Net profit for the period	412,370	366,095
Net profit for the period attributable to:		
Shareholders of the Bank	400,384	335,429
Non-controlling interests	11,986	30,666
Net profit for the period	412,370	366,095
Earnings per share		
Basic and diluted earnings per share (QAR per share)	1.69	1.42

The attached notes 1 to 18 form part of these unaudited interim condensed consolidated financial statements

Qatar Islamic Bank (S.A.Q)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2015

	<i>Share capital</i> <i>QR'000</i>	<i>Legal reserve</i> <i>QR'000</i>	<i>Risk reserve</i> <i>QR'000</i>	<i>General reserve</i> <i>QR'000</i>	<i>Fair value reserve</i> <i>QR'000</i>	<i>Foreign currency translation reserve</i> <i>QR'000</i>	<i>Other reserves</i> <i>QR'000</i>	<i>Proposed cash dividends</i> <i>QR'000</i>	<i>Retained earnings</i> <i>QR'000</i>	<i>Total equity attributable to shareholders of the Bank</i> <i>QR'000</i>	<i>Non-controlling interests</i> <i>QR'000</i>	<i>Total equity</i> <i>QR'000</i>
Balance at 1 January 2015	2,362,932	6,370,016	1,369,247	81,935	93,199	(29,157)	216,820	1,004,246	1,008,760	12,477,998	1,693,668	14,171,666
Foreign currency translation reserve movement	-	-	-	-	-	11,383	-	-	-	11,383	-	11,383
Fair value reserve movement	-	-	-	-	(7,243)	-	-	-	-	(7,243)	-	(7,243)
Net profit for the period	-	-	-	-	-	-	-	-	400,384	400,384	11,986	412,370
Total recognised income and expense for the period	-	-	-	-	(7,243)	11,383	-	-	400,384	404,524	11,986	416,510
Cash dividends paid to shareholders (Note 14)	-	-	-	-	-	-	-	(1,004,246)	-	(1,004,246)	-	(1,004,246)
Movement in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(25,523)	(25,523)
Balance at 31 March 2015	2,362,932	6,370,016	1,369,247	81,935	85,956	(17,774)	216,820	-	1,409,144	11,878,276	1,680,131	13,558,407

The attached notes 1 to 18 form part of these unaudited interim condensed consolidated financial statements

Qatar Islamic Bank (S.A.Q)
UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the three months ended 31 March 2015

	<i>Share capital</i> <i>QR'000</i>	<i>Legal reserve</i> <i>QR'000</i>	<i>Risk reserve</i> <i>QR'000</i>	<i>General reserve</i> <i>QR'000</i>	<i>Fair value reserve</i> <i>QR'000</i>	<i>Foreign currency translation reserve</i> <i>QR'000</i>	<i>Other reserves</i> <i>QR'000</i>	<i>Proposed cash dividends</i> <i>QR'000</i>	<i>Retained earnings</i> <i>QR'000</i>	<i>Total equity attributable to shareholders of the Bank</i> <i>QR'000</i>	<i>Non-controlling interests</i> <i>QR'000</i>	<i>Total equity</i> <i>QR'000</i>
Balance at 1 January 2014	2,362,932	6,370,016	1,084,566	81,935	94,896	(49,974)	212,058	945,172	758,113	11,859,714	1,812,946	13,672,660
Foreign currency translation reserve movement	-	-	-	-	-	(904)	-	-	-	(904)	-	(904)
Fair value reserve movement	-	-	-	-	13,986	-	-	-	-	13,986	-	13,986
Net profit for the period	-	-	-	-	-	-	-	-	335,429	335,429	30,666	366,095
Total recognised income and expense for the period	-	-	-	-	13,986	(904)	-	-	335,429	348,511	30,666	379,177
Cash dividends paid to shareholders (Note 14)	-	-	-	-	-	-	-	(945,172)	-	(945,172)	-	(945,172)
Movement in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(166,510)	(166,510)
Balance at 31 March 2014	2,362,932	6,370,016	1,084,566	81,935	108,882	(50,878)	212,058	-	1,093,542	11,263,053	1,677,102	12,940,155

The attached notes 1 to 18 form part of these unaudited interim condensed consolidated financial statements

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN RESTRICTED INVESTMENT ACCOUNTS

For the three months ended 31 March 2015

<i>Investment</i>	<i>Movements during the period</i>							<i>At 31 March 2015 (Unaudited) QR'000</i>
	<i>At 1 January 2015 (Audited) QR'000</i>	<i>Investment (withdrawals) QR'000</i>	<i>Revaluation QR'000</i>	<i>Gross income QR'000</i>	<i>Dividends paid QR'000</i>	<i>Admin expense QR'000</i>	<i>Group's fee as an agent QR'000</i>	
Al Rayyan	148	(148)	-	-	-	-	-	-
Danat	3,476	(1,911)	-	-	-	-	-	1,565
Solidarity Group Holding B.S.C	1,420	-	-	-	-	-	-	1,420
Marsa Al Seef	85,175	(5,660)	-	-	-	-	-	79,515
Discretionary Portfolio Management	98,159	-	477	1,259	-	-	(164)	99,731
	188,378	(7,719)	477	1,259	-	-	(164)	182,231

The attached notes 1 to 18 form part of these unaudited interim condensed consolidated financial statements

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN RESTRICTED INVESTMENT ACCOUNTS (CONTINUED)

For the three months ended 31 March 2015

<i>Investment</i>	<i>Movements during the period</i>							<i>At 31 March 2014 (Unaudited) QR'000</i>
	<i>At 1 January 2014 (Audited) QR'000</i>	<i>Investment (withdrawals) QR'000</i>	<i>Revaluation QR'000</i>	<i>Gross income QR'000</i>	<i>Dividends paid QR'000</i>	<i>Admin expense QR'000</i>	<i>Group's fee as an agent QR'000</i>	
Fleet Street Financing 1 Limited	20,427	-	1,354	1,468	-	-	(161)	23,088
Qatar Equity	11,220	(11,761)	556	-	-	-	(15)	-
Discretionary Portfolio Management	5,287	26	-	-	-	-	-	5,313
John Spiers	22,441	(23,522)	1,111	-	-	-	(30)	-
Wise Capital	20,559	(82)	81	-	-	-	-	20,558
BLME Sub.	72,800	-	-	-	-	-	-	72,800
Eden Rock	1,420	-	-	-	-	-	-	1,420
ABC Sub.	2,194	-	-	-	-	-	-	2,194
Asian Finance Bank	3,567	-	-	-	-	-	-	3,567
Solidarity Group Holding B.S.C	20,661	(170)	170	-	-	-	-	20,661
Marsa Al Seef	116,152	(5,460)	-	-	-	-	-	110,692
QIB-UK	18,636	-	-	130	-	-	-	18,766
	315,364	(40,969)	3,272	1,598	-	-	(206)	279,059

The attached notes 1 to 18 form part of these unaudited interim condensed consolidated financial statements

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2015

	<i>Three months ended 31 March 2015 (Unaudited) QR'000</i>	<i>Twelve months ended 31 December 2014 (Audited) QR'000</i>	<i>Three months ended 31 March 2014 (Unaudited) QR'000</i>
Cash flows from operating activities			
Net profit for the period /year before tax from continuing operations	408,664	1,705,558	356,212
Net profit for the period /year from discontinuing operations	7,319	1,999	5,747
Net changes in operating assets and liabilities	<u>(6,439,900)</u>	<u>(10,195,437)</u>	<u>(6,149,242)</u>
Net cash flows used in operating activities	<u>(6,023,917)</u>	<u>(8,487,880)</u>	<u>(5,787,283)</u>
Cash flows from investing activities			
Purchase of investment securities	(632,944)	(6,328,050)	(2,475,106)
Proceeds from sale of investment securities	522,978	5,413,629	5,541,365
Purchase of fixed and intangible assets	(35,002)	(135,083)	(3,547)
Purchase of associate companies	(59,165)	(180,878)	(400)
Purchase of investment properties	-	(765,760)	(712,001)
Proceeds from sale of investment properties	-	481,425	-
Dividends received from investment securities	9,112	10,536	8,159
Dividends received from associate companies	5,000	19,600	17,500
Net cash flows (used in) from investing activities	<u>(190,021)</u>	<u>(1,484,581)</u>	<u>2,375,970</u>
Cash flows from financing activities			
Change in equity of unrestricted investment accountholders	5,466,767	13,586,780	6,586,105
Cash dividends paid to shareholders	(1,004,246)	(945,172)	(945,172)
Net cash flows from financing activities	<u>4,462,521</u>	<u>12,641,608</u>	<u>5,640,933</u>
Net (decrease) increase in cash and cash equivalents	<u>(1,751,417)</u>	<u>2,669,147</u>	<u>2,229,620</u>
Cash and cash equivalents - beginning of the period /year	<u>9,192,951</u>	<u>6,523,804</u>	<u>6,523,804</u>
Cash and cash equivalents - end of the period /year (Note 15)	<u><u>7,441,534</u></u>	<u><u>9,192,951</u></u>	<u><u>8,753,424</u></u>

At 31 March 2015

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Qatar Islamic Bank S.A.Q (“QIB” or “the Bank”) is an entity domiciled in the State of Qatar and was incorporated on 8 July 1982 as a Qatari Public Shareholding Company under Emiri Decree no. 45 of 1982. The commercial registration number of the Bank is 8338. The address of the Bank’s registered office is Doha, State of Qatar, P.O. Box 559. The Bank is primarily involved in corporate, retail and investment banking, and has 30 branches in Qatar and one branch in Sudan. The Parent Company of the Group is Qatar Islamic Bank (S.A.Q). The Bank’s shares are listed for trading on the Qatar Exchange.

The interim condensed consolidated financial statements of the Group for the period ended 31 March 2015 were authorised for issue in accordance with a resolution of the Board of Directors on 15 April 2015.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The unaudited interim condensed consolidated financial statements of the Bank and its subsidiaries (together referred to as the “Group”) for the three months ended 31 March 2015 have been prepared in accordance with the guidance given by the International Accounting Standard 34 - "Interim Financial Reporting". The unaudited interim condensed consolidated financial statements do not contain all information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2014. In addition, results for the three month period ended 31 March 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

The preparation of the unaudited interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The actual results may differ from these estimates.

The significant judgments made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2014.

The Group’s financial risk management objectives are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2014.

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2014, except for the new standards and amendments listed below, which were prepared in accordance with the Financial Accounting Standards (“FAS”) issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (the “AAOIFI”), the Shari’a Rules and Principles as determined by the Shari’a Supervisory Board of the Group, related regulations of Qatar Central Bank and applicable provisions of the Qatar Commercial Company’s Law No. 5 of 2002. For matters which are not covered by AAOIFI standards, the Group uses guidance from the relevant International Financial Reporting Standards (the “IFRSs”) as issued by the International Accounting Standards Board (“IASB”).

New standards and amendments

The following new and amended standards have been adopted by the Group in preparation of these unaudited interim condensed consolidated financial statements whenever there is no applicable FAS Standards. The following standards and amendments became effective as of 1 January 2015 but do not have any material impact to the Group, but they will result in additional disclosures:

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

The adoption of the above did not result in any changes to previously reported net profit or equity of the Group.

Standards issued but not yet effective

The below mentioned standards, interpretations and amendments to standards are not yet effective. The Group is currently evaluating the impact of these new standards. The Group will adopt these new standards on the respective effective dates if there is no equivalent FAS Standard.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
Standards issued but not yet effective (continued)

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 Joint Arrangements: Accounting for Acquisition of Interests (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).

Basis of consolidation

The unaudited interim condensed consolidated financial statements include the financial statements of the Bank and its following subsidiaries and special purpose entities after elimination of intercompany balances and transactions:

	Country of Incorporation	Principal Business Activity	Effective Percentage of Ownership	
			2015	2014
QIB (UK) (i)	United Kingdom	Investment banking	99.66%	99.43%
Arab Finance House	Lebanon	Banking	99.99%	99.99%
Durat Al Doha Real Estate Investment and Development W.L.L (ii)	Qatar	Investment in real estates	39.87%	39.87%
QIB Sukuk Ltd (iii)	Cayman Islands	Sukuk issuance	-	-
Aqar Real Estate Development and Investment Company ("Aqar") (iv)	Qatar	Investment in real estates	49%	49%
QIB Sukuk Funding Limited	Qatar	Financing company	100%	100%
QInvest LLC (v)	Qatar	Investment banking	50.13%	50.13%
Verdi Luxembourg SARL (vi)	Luxembourg	Investment in real estates	50.13%	50.13%
Q West (vi)	France	Equity investments	50.13%	50.13%
Q Invest Saudi Arabia (vi)	Saudi Arabia	Investment holding company	50.13%	50.13%
Q Business Services (vi)	Cayman Islands	Investment holding company	50.13%	50.13%
Q Liquidity Limited (vi)	Cayman Islands	Placements	50.13%	50.13%
Q Saudi Alpha (vi)	Cayman Islands	Investment holding company	50.13%	50.13%
Q Saudi Beta (vi)	Cayman Islands	Investment holding company	50.13%	50.13%
Q Saudi Gamma (vi)	Cayman Islands	Investment holding company	50.13%	50.13%
QInvest Holding Mauritius (vi)	Mauritius	Investment holding company	50.13%	50.13%
QInvest Luxembourg SARL (vi)	Luxembourg	Investments	50.13%	50.13%
QInvest Partners LLC (vi)	Qatar (QFC)	Investment holding company	50.13%	50.13%
Q Equity (vi)	Cayman Islands	Equity investments	50.13%	50.13%
Q Green (vi)	Cayman Islands	Investment holding company	50.13%	50.13%
Q Exhibit (vi)	Mauritius	Investment holding company	50.13%	50.13%
Q Learn (vi)	Mauritius	Investment holding company	50.13%	50.13%
QI St Edmund's Terrace Limited (vi)	Cayman Islands	Investment holding company	50.13%	50.13%
St. Edmund's Terrace GP Limited (vi)	Cayman Islands	Investment holding company	50.13%	50.13%
SET Investment Management Limited (vi)	Cayman Islands	Investment holding company	50.13%	50.13%
Inner Mauritius Investments Limited (vi)	Mauritius	Investment holding company	50.13%	50.13%
Asian Finance Initiative Corporation (vi)	Cayman Islands	Providing Murabaha facilities	50.13%	50.13%
Q Admiral (vi)	Cayman Islands	Providing Murabaha facilities	50.13%	50.13%
QInvest Admiral (vi)	Qatar (QFC)	Investment holding company	50.13%	50.13%
Q Marina (vi)	Cayman Islands	Providing Murabaha facilities	50.13%	50.13%
QInvest Marina (vi)	Qatar (QFC)	Investment holding company	50.13%	50.13%
Q Denmark (vi)	Cayman Islands	Providing Murabaha facilities	50.13%	50.13%
QInvest Denmark LLC (vi)	Qatar (QFC)	Investment holding company	50.13%	50.13%
QInvest Comms Holding LLC (vi)	Qatar (QFC)	Special Purpose Company	50.13%	50.13%
Q Comms (vi)	Cayman Islands	Providing Murabaha facilities	50.13%	50.13%
QI One Wall Street Invest Co. (vi)	Cayman Islands	Investment holding company	50.13%	50.13%
EFH S.a.r.l. (vi)	Luxembourg	Investment holding company	50.13%	50.13%

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (continued)

Notes:

- i) In March 2015, the Bank acquired an additional 18 million shares in QIB (UK) out of 13.3 million shares were through cash and remaining 4.7 million shares were on conversion of debt into equity. The Banks shareholding in QIB (UK) increased to 99.66%.
- ii) Effective from 1 January 2013, the Group has obtained control to govern the financial and operating policies of its previous associate through management agreement with other shareholders in the Company.
- iii) QIB Sukuk Ltd, was incorporated in the Cayman Islands as an exempted company with limited liability for the sole purpose of Sukuk issuance for the benefit of QIB.
- iv) The Bank has the power to cast majority of the votes in the Board of Directors meetings of Aqar by virtue of representing highest number of members in the Board.
- v) As per the Articles of Association of QInvest, the Bank has the power to appoint 8 members of the Board of Directors out of 8 members. Further, on 27 February 2014, QInvest LLC in its Extraordinary General Assembly approved buyback of its shares (44,642,857 shares). Due to the buyback of shares from minority shareholders, the QIB shareholding in QInvest LLC has increased to 50.13%.
- vi) The Group has the power to control these entities, indirectly through QInvest LLC and accordingly these entities have been considered as subsidiaries of the Group.

3 OPERATING SEGMENTS

The Group has four reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately based on the Group's management and internal reporting structure. For each of the strategic divisions, the Chief Executive Officer reviews internal management reports on monthly basis. The following summary describes the operations in each of the Group's reportable segments:

Wholesale banking – Wholesale Banking includes services offered to institutional investors, corporate, other banks, and investment vehicles such as mutual funds or pensions.

Personal banking – Personal banking includes services that are offered to individual customers through local branches of the Bank which includes checking and savings accounts, credit cards, personal lines of credit, mortgages, and so forth.

Group function – treasury, investment, finance and other central functions.

Local & international subsidiaries – Local and international subsidiaries include the Groups local and international subsidiaries all of which are consolidated in the Group financial statements.

Information regarding the results, assets and liabilities of each reportable segment is included below.

Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Chief Executive Officer. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Qatar Islamic Bank (S.A.Q)

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2015

3 OPERATING SEGMENTS (CONTINUED)
Information about operating segments

<i>31 March 2015 (Unaudited)</i>	<i>Wholesale banking QR'000</i>	<i>Personal banking QR'000</i>	<i>Group function QR'000</i>	<i>Local & international subsidiaries QR'000</i>	<i>Total QR'000</i>
External revenue:					
Total income from financing and investing activities	411,411	240,747	90,418	74,451	817,027
Net fee and commission income	43,620	33,357	6,846	16,561	100,384
Net foreign exchange gain	-	-	21,579	901	22,480
Share of results of associates	-	-	4,383	784	5,167
Other income	-	-	-	5,278	5,278
Inter segment revenue	(114,973)	44,490	70,483	-	-
Profit from a subsidiary held for sale	-	-	-	7,319	7,319
Total segment income after discontinued operations	340,058	318,594	193,709	105,294	957,655
Staff costs , other expenses and depreciation and amortization	(57,538)	(95,372)	(33,238)	(64,233)	(250,381)
Sukuk holders share of profit	-	-	(43,380)	-	(43,380)
Net return to unrestricted investment account holders	(88,231)	(45,715)	(30,140)	(8,206)	(172,292)
Other material non-cash items:					
Net impairment losses on investment securities and properties	-	-	(50,200)	-	(50,200)
Net impairment losses on financing assets	(16,332)	(1,218)	(6,008)	(519)	(24,077)
Other impairment losses	-	-	(1,342)	-	(1,342)
Reportable segment net profit before tax	177,957	176,289	29,401	32,336	415,983
Tax expense	-	-	-	(3,613)	(3,613)
Reportable segment net profit after tax	177,957	176,289	29,401	28,723	412,370

Qatar Islamic Bank (S.A.Q)

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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3 SEGMENT REPORTING (CONTINUED)

Information about operating segments

<i>31 March 2014 (Unaudited)</i>	<i>Wholesale banking QR'000</i>	<i>Personal banking QR'000</i>	<i>Group function QR'000</i>	<i>Local & international subsidiaries QR'000</i>	<i>Total QR'000</i>
External revenue:					
Total income from financing and investing activities	344,354	208,081	89,843	85,447	727,725
Net fee and commission income	35,212	22,519	4,095	23,812	85,638
Net foreign exchange gain	-	-	12,684	3,617	16,301
Share of results of associates	-	-	7,516	(2,925)	4,591
Other income	-	-	-	5,297	5,297
Inter segment revenue	(88,231)	34,275	53,956	-	-
Profit from a subsidiary held for sale	-	-	-	5,747	5,747
Total segment income after discontinued operations	291,335	264,875	168,094	120,995	845,299
Staff costs , other expenses and depreciation and amortization	(52,636)	(95,743)	(17,833)	(53,846)	(220,058)
Sukuk holders share of profit	-	-	(43,380)	-	(43,380)
Net return to unrestricted investment account holders	(56,493)	(56,484)	(8,962)	(7,870)	(129,809)
Other material non-cash items:					
Net impairment losses on investment securities and properties	-	-	(65,000)	-	(65,000)
Net impairment losses on financing assets	(15,997)	(5,000)	-	(170)	(21,167)
Other impairment losses	-	-	(217)	(3,709)	(3,926)
Reportable segment net profit before tax	166,209	107,648	32,702	55,400	361,959
Tax credit	-	-	-	4,136	4,136
Reportable segment net profit after tax	166,209	107,648	32,702	59,536	366,095

Note:

Certain segmental income and expenses for the three-month period ended 31 March 2014 were reclassified in the unaudited interim condensed consolidated financial statements for the three months ended 31 March 2015 to conform to the presentation and classification adopted in the current period.

Qatar Islamic Bank (S.A.Q)

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2015

3 SEGMENT REPORTING (CONTINUED)

<i>31 March 2015 (Unaudited)</i>	<i>Wholesale banking QR'000</i>	<i>Personal banking QR'000</i>	<i>Group function QR'000</i>	<i>Local & international subsidiaries QR'000</i>	<i>Total QR'000</i>
Reportable segment assets	<u>48,681,255</u>	<u>14,707,102</u>	<u>31,561,048</u>	<u>3,752,490</u>	<u>98,701,895</u>
Reportable segment liabilities and equity of unrestricted investments account holders	<u>31,862,284</u>	<u>27,025,368</u>	<u>23,912,795</u>	<u>2,343,041</u>	<u>85,143,488</u>
<i>31 December 2014 (Audited)</i>	<i>Wholesale banking QR'000</i>	<i>Personal banking QR'000</i>	<i>Group function QR'000</i>	<i>Local & international subsidiaries QR'000</i>	<i>Total QR'000</i>
Reportable segment assets	<u>44,073,065</u>	<u>14,560,357</u>	<u>33,895,757</u>	<u>3,577,285</u>	<u>96,106,464</u>
Reportable segment liabilities and equity of unrestricted investments account holders	<u>32,341,370</u>	<u>25,923,767</u>	<u>21,491,171</u>	<u>2,178,490</u>	<u>81,934,798</u>

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2015

4 FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS

The table below sets out the carrying amounts and fair values of the Group's financial assets and financial liabilities:

	<i>Fair value through income statement</i>	<i>Fair value through equity</i>	<i>Amortised cost</i>	<i>Total carrying amount</i>	<i>Fair value</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
31 March 2015 (Unaudited)					
Cash and balances with Central Banks	-	-	3,914,915	3,914,915	3,914,915
Due from banks	-	-	7,447,157	7,447,157	7,447,157
Financing assets	-	-	64,502,384	64,502,384	64,502,384
Investment securities:					
- Measured at fair value	553,615	992,422	-	1,546,037	1,546,037
- Measured at amortised cost	-	-	14,488,499	14,488,499	14,616,298
Other assets	-	-	765,685	765,685	765,685
	553,615	992,422	91,118,640	92,664,677	92,792,476
Due to banks	-	-	6,995,217	6,995,217	6,995,217
Customers' current accounts	-	-	13,957,289	13,957,289	13,957,289
Sukuk financing	-	-	5,451,789	5,451,789	5,451,789
Other liabilities	-	-	1,773,833	1,773,833	1,773,833
	-	-	28,178,128	28,178,128	28,178,128

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2015

4 FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTINUED)

<i>31 December 2014 (Audited)</i>	<i>Fair value through income statement QR'000</i>	<i>Fair value through equity QR'000</i>	<i>Amortised cost QR'000</i>	<i>Total carrying amount QR'000</i>	<i>Fair value QR'000</i>
Cash and balances with central banks	-	-	4,933,474	4,933,474	4,933,474
Due from banks	-	-	8,931,018	8,931,018	8,931,018
Financing assets	-	-	59,681,531	59,681,531	59,681,531
Investment securities:					
- Measured at fair value	549,721	772,148	-	1,321,869	1,321,869
- Measured at amortised cost	-	-	14,632,527	14,632,527	13,989,524
Other assets	-	-	770,724	770,724	770,724
	<u>549,721</u>	<u>772,148</u>	<u>88,949,274</u>	<u>90,271,143</u>	<u>89,628,140</u>
Due to banks	-	-	8,104,212	8,104,212	8,104,212
Customers' current accounts	-	-	15,124,873	15,124,873	15,124,873
Sukuk financing	-	-	5,450,236	5,450,236	5,450,236
Other liabilities	-	-	1,756,800	1,756,800	1,756,800
	<u>-</u>	<u>-</u>	<u>30,436,121</u>	<u>30,436,121</u>	<u>30,436,121</u>

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial investments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2015

4 FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTINUED)
Fair value hierarchy (continued)

As at 31 March 2015 and 31 December 2014, the Group held the following financial instruments measured at fair value:

<i>31 March 2015 (Unaudited)</i>	<i>Total</i>	<i>Fair value measurement using</i>		
		<i>Quoted prices in active markets (Level 1)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Significant unobservable inputs (Level 3)</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Assets measured at fair value:				
Investments securities :				
Quoted equity-type investments classified as fair value through income statement	-	-	-	-
Unquoted equity-type investments classified as fair value through income statement	451,941	-	194,002	257,939
Quoted equity-type investments classified as fair value through equity	448,992	448,992	-	-
Unquoted equity-type investments classified as fair value through equity	543,430	-	464,370	79,060
<i>31 December 2014 (Audited)</i>	<i>Total</i>	<i>Fair value measurement using</i>		
		<i>Quoted prices in active markets (Level 1)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Significant unobservable inputs (Level 3)</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Assets measured at fair value:				
Investments securities :				
Quoted equity-type investments classified as fair value through income statement	-	-	-	-
Unquoted equity-type investments classified as fair value through income statement	448,902	-	280,593	168,309
Quoted equity-type investments classified as fair value through equity	222,899	222,899	-	-
Unquoted equity-type investments classified as fair value through equity	549,249	-	498,398	50,851

During the period ended 31 March 2015, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2015

5 IMPAIRMENT

The Group assesses at each statement of financial position date whether there is objective evidence that an asset is impaired. Objective evidence that financial assets (including equity-type investments) are impaired can include default or delinquency by a counterparty / investee, restructuring of financing assets or advance by the Group on terms that the Group would not otherwise consider, indications that a counterparty or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of counterparty or issuers, or economic conditions that correlate with defaults. In addition, for an investment in equity-type instruments, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Equity-type investments classified as fair value through equity

In the case of equity-type investments classified as fair value through equity and measured at fair value, a significant (where market value has declined by a minimum of 20%) or prolonged (where market value has declined for 9 months at least) decline in the fair value of an investment below its cost is considered in determining whether the investments are impaired. If any such evidence exists for equity-type investments classified as fair value through equity, the cumulative loss previously recognised in the consolidated statement of changes in equity is removed from equity and recognised in the consolidated statement of income. Impairment losses recognised in the consolidated statement of income on equity-type investments are subsequently reversed through equity. The Group has provided QR 50 million (31 March 2014: QR 65 million) as impairment on equity investment securities which were recognised under “Net impairment loss on investment securities and properties” in the unaudited interim consolidated statement of income.

Investment properties

Investment property held for rental or capital appreciation is measured at fair value with the resulting unrealised gains being recognised in the statement of changes in equity under fair value reserve. Any unrealized losses resulting from re-measurement at fair value is recognized in the consolidated statement of financial position under fair value reserve to the extent of available balance. In case such losses exceed the available balance, the unrealized loss is recognized in the consolidated statement of income. In case there are unrealized losses that have been recognized in the consolidated statement of income in a previous financial year/period, the unrealized gains related to the current financial period is recognized to the extent of crediting back such previous losses in the consolidated statement of income. Any excess of such gains over such prior-year losses is added to the fair value reserve. The Group has provided Nil (31 March 2014: nil) as impairment on investment properties which was recorded under “Net impairment loss on investment securities and properties” in the unaudited interim consolidated statement of income.

Financial assets carried at amortised cost (including investment in Sukuk instruments classified as amortised cost)

For financial assets carried at amortised cost, impairment is measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets’ original effective profit rate. Losses are recognised in consolidated statement of income and reflected in an allowance account. When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through the consolidated statement of income, to the extent of previously recognised impairment losses. The Group considers evidence of impairment for financial assets carried at amortised cost at both a specific asset and collective level. All individually significant financial assets are assessed for specific impairment. Financial assets that are not individually significant are collectively assessed for impairment by grouping assets together with similar risk characteristics. The Group has provided QR 24 million (31 March 2014: QR 21 million) as impairment on financing assets which was recognised under “Net impairment loss on financing assets” in the unaudited interim consolidated statement of income. Additionally, the Group has provided nil (31 March 2014: nil) as impairment on Sukuk investments carried at amortised cost which was recorded under “Net impairment loss on investment securities and properties” in the unaudited interim consolidated statement of income.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2015

6 FINANCING ASSETS

	<i>31 March 2015 (Unaudited) QR'000</i>	<i>31 December 2014 (Audited) QR'000</i>	<i>31 March 2014 (Unaudited) QR'000</i>
Total financing assets	72,145,221	66,639,051	55,040,632
Less: Deferred profit	(7,079,454)	(6,399,267)	(5,318,031)
Specific impairment of financing assets	(518,802)	(514,849)	(446,484)
Suspended profit	(44,581)	(43,404)	(39,925)
Net financing assets	<u>64,502,384</u>	<u>59,681,531</u>	<u>49,236,192</u>

Note:

The impaired financing assets for which an impairment allowance was created amounted to QR 544 million as at 31 March 2015 representing 0.8% of the total financing assets net of deferred profit (31 December 2014: QR 550 million, representing 0.9 % of the total financing assets net of deferred profit).

7 INVESTMENT SECURITIES

	<i>31 March 2015 (Unaudited)</i>			<i>31 December 2014 (Audited)</i>		
	<i>Quoted QR'000</i>	<i>Unquoted QR'000</i>	<i>Total QR'000</i>	<i>Quoted QR'000</i>	<i>Unquoted QR'000</i>	<i>Total QR'000</i>
<i>Investments classified as fair value through income statement</i>						
• equity-type investments	-	451,941	451,941	-	448,902	448,902
• debt-type investments						
- Fixed rate	101,674	-	101,674	100,819	-	100,819
	101,674	451,941	553,615	100,819	448,902	549,721
<i>Debt-type investments classified at amortised cost</i>						
- State of Qatar Sukuk	1,186,327	11,524,621	12,710,948	1,113,440	11,327,321	12,440,761
- Fixed rate	1,527,986	114,635	1,642,621	1,893,777	161,809	2,055,586
- Floating rate	134,930	-	134,930	136,180	-	136,180
	2,849,243	11,639,256	14,488,499	3,143,397	11,489,130	14,632,527
<i>Equity-type investments classified as fair value through equity</i>						
	448,992	543,430	992,422	222,899	549,249	772,148
	3,399,909	12,634,627	16,034,536	3,467,115	12,487,281	15,954,396

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2015

8 INVESTMENT IN ASSOCIATES**2015**

During March 2015, QInvest LLC invested in a newly established Netherlands entity named QIT DF Corporate U.A. along with two other partners. QInvest invested USD16.2 million and its ownership percentage in the Company is 27.8%. This has been designated as an associate in the books of QInvest.

2014

On 1 May 2014, QIB acquired additional 10% of the voting shares of Asian Finance Bank (“AFB”) for a purchase consideration of QR 61 million which raised the total shareholding to 60%. AFB is registered as an Islamic Bank in Malaysia and regulated by Bank Negara Malaysia. The principal business lines of AFB include corporate and retail banking.

The Bank does not have “control” over AFB as defined in IFRS 10- Consolidated Financial Statements and FAS 23 – Consolidation under AAOIFI, due to the shareholders agreement. Hence AFB continues to be accounted for as an associate under FAS 24- Investment in Associates under AAOIFI, following the equity method of accounting.

The table below sets out the share of the Group from Asian Finance Bank (“AFB”) as of 31 December 2014:

Group’s share	<i>31 December 2014</i>
Total assets	<u>2,117,872</u>
Total liabilities	<u>1,793,299</u>
Total net assets acquired	<u>324,573</u>
Share of results	<u>8,457</u>
Goodwill	<u>22,048</u>

9 ASSETS AND LIABILITIES OF A SUBSIDIARY HELD FOR SALE

	<i>31 March 2015 (Unaudited) QR’000</i>	<i>31 December 2014 (Audited) QR’000</i>	<i>31 March 2014 (Unaudited) QR’000</i>
Assets	<u>54,694</u>	<u>61,361</u>	<u>305,566</u>
Liabilities	<u>18,604</u>	<u>18,688</u>	<u>215</u>
		<i>Three month period ended 31 March 2015 (Unaudited) QR’000</i>	<i>Three month period ended 31 March 2014 (Unaudited) QR’000</i>
Profit for the period		<u>7,319</u>	<u>5,747</u>

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2015

10 EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS

	<i>31 March 2015 (Unaudited) QR'000</i>	<i>31 December 2014 (Audited) QR'000</i>	<i>31 March 2014 (Unaudited) QR'000</i>
Term	43,349,974	38,182,379	28,875,572
Saving accounts	11,148,605	10,299,195	9,982,651
Call accounts	2,445,651	2,992,845	5,606,090
	56,944,230	51,474,419	44,464,313
Share in fair value reserve	2,526	5,570	15,001
Total	56,946,756	51,479,989	44,479,314

11 LEGAL RESERVE

In accordance with QCB Law No. 33 of 2006 as amended, 10% of net profit attributable to the owners of the Bank for the year is required to be transferred to the reserve until the legal reserve equals 100% of the paid up share capital. This reserve is not available for distribution except in circumstances specified in Qatar Commercial Companies Law No. 5 of 2002 and after QCB approval. No appropriation was made in the current period as the legal reserve equal more than 100% of the paid up share capital.

12 RISK RESERVE

In accordance with QCB regulations, a risk reserve should be created to cover contingencies on both the public and private sector financing assets, with a minimum requirement of 2.5% of the total private sector exposure granted by the Group inside and outside Qatar after the exclusion of the specific provisions and profit in suspense. The finance provided to / or secured by the Ministry of Finance – Qatar or finance against cash guarantees is excluded from the gross direct finance. No transfer to risk reserve has been made during the period as the required amount will be transferred at year end. (Year ended 31 December 2014: QAR 284.7 million was transferred to risk reserve).

13 OTHER RESERVES

Other reserves represent the undistributed share of associates profits after deducting the cash dividends received and other reserves as required by QCB.

14 CASH DIVIDENDS

The shareholders of the Bank approved in the general assembly meeting 42.5% cash dividends for the year ended 31 December 2014 (QR 4.25 per share), (31 March 2014: 40% cash dividends (QR 4 per share) for the year ended 31 December 2013).

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2015

15 CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following balances with original maturities of less than three months:

	<i>31 March 2015 (Unaudited) QR'000</i>	<i>31 December 2014 (Audited) QR'000</i>	<i>31 March 2014 (Unaudited) QR'000</i>
Cash and balances with central banks (excluding restricted QCB reserve account)	709,300	1,944,933	665,797
Due from banks	6,732,234	7,248,018	8,087,627
Total	7,441,534	9,192,951	8,753,424

16 CONTINGENT LIABILITIES AND COMMITMENTS

	<i>31 March 2015 (Unaudited) QR'000</i>	<i>31 December 2014 (Audited) QR'000</i>	<i>31 March 2014 (Unaudited) QR'000</i>
a) Contingent liabilities			
Unused financing facilities	7,423,664	6,456,492	6,964,746
Acceptances	424,161	533,329	548,917
Guarantees	8,929,627	8,640,208	6,355,320
Letters of credit	1,206,143	1,623,905	1,499,394
	17,983,595	17,253,934	15,368,377
b) Commitments			
Investment commitment	90,319	-	-
Other risk management instruments	13,398,783	8,498,951	5,925,293
	13,489,102	8,498,951	5,925,293
Total	31,472,697	25,752,885	21,293,670

Lease commitments

Operating lease rentals are payable as follows:

	<i>31 March 2015 (Unaudited) QR'000</i>	<i>31 December 2014 (Audited) QR'000</i>	<i>31 March 2014 (Unaudited) QR'000</i>
Less than one year	9,892	14,654	11,785
After one year but not more than five years	24,663	23,996	56,025
More than five years	107,286	104,852	105,975
	141,841	143,502	173,785

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2015

17 RELATED PARTIES TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include the significant shareholders and entities over which the Group and the shareholders' exercise significant influence, directors and executive management of the Group.

The related party transactions and balances included in these consolidated financial statements are as follows:

	<i>31 March 2015 (Unaudited)</i>			<i>31 December 2014 (Audited)</i>		
	<i>Associated companies</i>	<i>Board of Directors</i>	<i>Others</i>	<i>Associated companies</i>	<i>Board of Directors</i>	<i>Others</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Assets:						
Financing assets	263,370	1,260,069	1,372,556	248,843	1,232,684	1,258,243
Liabilities:						
Other liabilities	-	-	-	-	24,243	-
Equity of unrestricted investment account holders	87,570	268,092	157,484	18,101	370,679	-
Off financial position items:						
Contingent liabilities, guarantees and other commitments	-	130,219	156,943	-	126,412	58,901

	<i>Three months ended</i>			<i>Three months ended</i>		
	<i>31 March 2015 (Unaudited)</i>			<i>31 March 2014 (Unaudited)</i>		
	<i>Associated companies</i>	<i>Board of Directors</i>	<i>Others</i>	<i>Associated companies</i>	<i>Board of Directors</i>	<i>Others</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Consolidated statement of income items:						
Income from financing activities	2,643	2,685	8,118	2,855	2,849	1,474
Profit paid on deposits	68	411	425	399	220	-
Others	-	69	23	2	-	761

Key management personnel compensation for the period comprised:

	<i>Three months ended</i>	<i>Three months ended</i>
	<i>31 March 2015 (Unaudited)</i>	<i>31 March 2014 (Unaudited)</i>
	<i>QR'000</i>	<i>QR'000</i>
Key management remuneration	<u>16,057</u>	<u>9,786</u>

18 COMPARATIVE FIGURES

Certain figures have been reclassified where necessary to preserve consistency with the presentation in the current period. However, such reclassifications did not have any effect on the consolidated net profit or the total consolidated equity for the comparative period/year.