



**DOHA BANK Q.S.C.
DOHA - QATAR**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

31 MARCH 2014

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF DOHA BANK Q.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Doha Bank Q.S.C. (the "Bank") and its subsidiaries (the "Group") as at 31 March 2014, comprising of the interim consolidated statement of financial position as at 31 March 2014 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended, and the related explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 *Interim Financial Reporting* ("IAS 34") and the applicable provisions of Qatar Central Bank regulations. 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 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 and the applicable provisions of Qatar Central Bank regulations.

Firas Qoussous
Of Ernst & Young
Auditor's Registration No: 236

Date: 20 April 2014
Doha

DOHA BANK Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2014

	<i>31 March 2014 (Reviewed) QAR'000</i>	<i>31 March 2013 (Reviewed) QAR'000</i>	<i>31 December 2013 (Audited) QAR'000</i>
Assets			
Cash and balances with central banks	3,679,851	3,010,128	3,435,761
Due from banks	11,373,317	7,337,382	9,180,420
Loans and advances to customers	5 43,426,642	34,432,175	41,109,116
Investment securities	6 10,059,269	10,689,967	11,703,577
Investment in an associate	9,668	10,645	9,382
Property, furniture and equipment	793,923	788,416	759,471
Other assets	713,666	969,936	772,097
Total assets	70,056,336	57,238,649	66,969,824
Liabilities			
Due to banks	10,240,525	9,432,895	7,719,781
Customer deposits	43,470,692	33,208,061	42,522,489
Debt securities	7 2,578,540	2,573,285	2,575,831
Other borrowings	8 817,593	-	455,188
Other liabilities	2,389,767	3,557,071	2,425,632
Total liabilities	59,497,117	48,771,312	55,698,921
Equity			
Share capital	2,583,723	2,066,978	2,583,723
Shares to be issued	-	1,550,234	-
Legal reserve	4,311,133	3,283,600	4,311,133
Risk reserve	960,650	773,650	960,650
Fair value reserves	9 8,003	27,517	(43,355)
Foreign currency translation reserve	(4,361)	(3,354)	(4,647)
Proposed dividends	10 -	-	1,162,675
Retained earnings	700,071	768,712	300,724
Total equity attributable to shareholders of the Bank	8,559,219	8,467,337	9,270,903
Instrument eligible as additional capital	11 2,000,000	-	2,000,000
Total equity	10,559,219	8,467,337	11,270,903
Total liabilities and equity	70,056,336	57,238,649	66,969,824

Fahad Bin Mohammad Bin Jabor Al Thani
Chairman

Abdul Rahman Bin Mohammad Bin Jabor Al Thani
Managing Director

Dr. Raghavan Seetharaman
Group Chief Executive Officer

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

DOHA BANK Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three months ended 31 March 2014

	<i>Three Months Ended</i>	
	<i>31 March 2014 (Reviewed) QAR'000</i>	<i>31 March 2013 (Reviewed) QAR'000</i>
Interest income	627,881	567,840
Interest expense	<u>(142,515)</u>	<u>(142,035)</u>
Net interest income	485,366	425,805
Fee and commission income	96,155	93,518
Fee and commission expense	<u>(1,147)</u>	<u>(828)</u>
Net fee and commission income	95,008	92,690
Gross written premium	22,415	25,158
Premium ceded	(8,091)	(12,722)
Net claims paid	<u>(9,193)</u>	<u>(8,105)</u>
Net income from insurance activities	5,131	4,331
Foreign exchange gain	22,451	21,087
Income from investment securities	74,362	85,344
Other operating income	<u>15,018</u>	<u>13,457</u>
	111,831	119,888
Net operating income	697,336	642,714
Staff cost	(112,854)	(100,084)
Depreciation	(23,126)	(17,790)
Impairment losses on investment securities	(16,100)	(2,658)
Net impairment loss on loans and advances to customers	(56,449)	(45,997)
Other expenses	<u>(88,712)</u>	<u>(79,464)</u>
	(297,241)	(245,993)
Profit for the period before tax	400,095	396,721
Income tax expense	<u>(748)</u>	<u>(1,417)</u>
Profit for the period	399,347	395,304
Basic and diluted earnings per share (QAR)	1.55	1.79
Weighted average number of shares:		
At the beginning of the period	258,372,300	206,697,802
Effect of rights issue	<u>-</u>	<u>14,010,861</u>
At the end of the period	258,372,300	220,708,663

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

DOHA BANK Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2014

	<i>Three Months Ended</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>2014</i>	<i>2013</i>
<i>Notes</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<i>QAR'000</i>	<i>QAR'000</i>
Profit for the period	399,347	395,304
Other comprehensive income:		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Foreign currency translation difference from foreign operations	286	113
Available-for-sale investment securities:		
Net change in fair value	9 29,214	(7,849)
Reclassified to interim consolidated statement of income	9 22,144	(91,490)
Net other comprehensive income (loss) to be classified to profit and loss in subsequent periods	<u>51,644</u>	<u>(99,226)</u>
<i>Items not to be reclassified to profit or loss in subsequent periods</i>	<u>-</u>	<u>-</u>
Other comprehensive income (loss)	<u>51,644</u>	<u>(99,226)</u>
Total comprehensive income for the period	<u><u>450,991</u></u>	<u><u>296,078</u></u>

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

DOHA BANK Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2014

	<i>Equity attributable to shareholders of the Bank</i>									<i>Instrument eligible as additional capital</i>	<i>Total</i>
	<i>Share capital</i>	<i>Shares to be issued</i>	<i>Legal reserve</i>	<i>Risk reserve</i>	<i>Fair value reserve</i>	<i>Foreign exchange translation reserve</i>	<i>Proposed dividends</i>	<i>Retained earnings</i>	<i>Total</i>		
Balance at 1 January 2013 (Audited)	2,066,978	-	3,283,600	773,650	126,856	(3,467)	930,140	373,408	7,551,165	-	7,551,165
Profit for the period	-	-	-	-	-	-	-	395,304	395,304	-	395,304
Other comprehensive income	-	-	-	-	(99,339)	113	-	-	(99,226)	-	(99,226)
Total comprehensive income for the period	-	-	-	-	(99,339)	113	-	395,304	296,078	-	296,078
Proceeds from right issue	-	1,550,234	-	-	-	-	-	-	1,550,234	-	1,550,234
Dividends paid (Note 10)	-	-	-	-	-	-	(930,140)	-	(930,140)	-	(930,140)
Balance at 31 March 2013 (Reviewed)	2,066,978	1,550,234	3,283,600	773,650	27,517	(3,354)	-	768,712	8,467,337	-	8,467,337
Balance at 1 January 2014 (Audited)	2,583,723	-	4,311,133	960,650	(43,355)	(4,647)	1,162,675	300,724	9,270,903	2,000,000	11,270,903
Profit for the period	-	-	-	-	-	-	-	399,347	399,347	-	399,347
Other comprehensive income	-	-	-	-	51,358	286	-	-	51,644	-	51,644
Total comprehensive income for the period	-	-	-	-	51,358	286	-	399,347	450,991	-	450,991
Dividends paid (Note 10)	-	-	-	-	-	-	(1,162,675)	-	(1,162,675)	-	(1,162,675)
Balance at 31 March 2014 (Reviewed)	2,583,723	-	4,311,133	960,650	8,003	(4,361)	-	700,071	8,559,219	2,000,000	10,559,219

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

DOHA BANK Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2014

		<i>Three months ended</i>		<i>Year ended</i>
		<i>31 March</i>	<i>31 March</i>	<i>31 December</i>
		<i>2014</i>	<i>2013</i>	<i>2013</i>
		<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>Notes</i>	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the period/year before taxes		400,095	396,721	1,317,759
Adjustments for:				
Net impairment loss on loans and advances to customers		56,449	45,997	318,158
Impairment loss on investment securities		16,100	2,658	10,769
Depreciation		23,126	17,790	81,873
Amortisation of financing cost		2,709	1,317	3,863
Income from investment securities		(74,362)	(85,344)	(122,136)
Share of results of an associate		-	-	(143)
		424,117	379,139	1,610,143
Profits before changes in operating assets and liabilities				
Change in due from banks		(239,565)	(1,520,086)	838,159
Change in loans and advances to customers		(2,323,853)	(531,248)	(7,440,592)
Change in other assets		58,431	(303,640)	(105,801)
Change in due to banks		2,520,744	716,416	(996,698)
Change in customer deposits		948,203	(1,193,022)	8,121,406
Change in other liabilities		(52,885)	167,401	243,546
Social and sports fund contribution		(32,816)	-	(32,624)
Income tax paid		(748)	(1,417)	(5,522)
		1,301,628	(2,286,457)	2,232,017
Net cash from (used in) operating activities				
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of investment securities		(2,773,724)	(2,965,412)	(8,595,582)
Proceeds from sale of investment securities		4,527,366	1,827,549	6,412,994
Acquisition of property, furniture and equipment		(57,578)	(11,384)	(46,704)
Proceeds from sale of property, furniture and equipment		-	-	182
		1,696,064	(1,149,247)	(2,229,110)
Net cash from (used in) investing activities				
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from rights issue		-	2,808,316	1,541,433
Proceeds from issuance of instrument eligible as additional capital	11	-	-	2,000,000
Proceeds from other borrowings		362,405	-	455,188
Dividends paid	10	(1,162,675)	(930,140)	(930,140)
		(800,270)	1,878,176	3,066,481
Net cash (used in) from financing activities				
Net increase (decrease) in cash and cash equivalents during the period/year		2,197,422	(1,557,528)	3,069,388
Cash and cash equivalents – beginning of the period/year		8,298,379	5,228,991	5,228,991
		10,495,801	3,671,463	8,298,379
Cash and cash equivalents – end of the period/year				
Operational cash flows from interest and dividend :				
Interest received		647,191	551,322	2,410,718
Interest paid		150,593	147,170	567,486
Dividends received		22,504	12,136	26,958

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

DOHA BANK Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months period ended 31 March 2014

1 CORPORATE INFORMATION

Doha Bank Q.S.C. (“Doha Bank” or the “Bank”) is an entity domiciled in the State of Qatar and was incorporated on 15 March 1979 as a Joint Stock Company under Emiri Decree No. 51 of 1978. The commercial registration of the bank is 7115. The address of the Bank’s registered office is Doha Bank Tower, Corniche Street, West Bay, P.O. Box 3818, Doha Qatar.

Doha Bank is engaged in conventional banking activities and operates through its head office in Doha and 31 local branches, three overseas branches in the United Arab Emirates (Dubai & Abu Dhabi) and the State of Kuwait, and representative offices in United Kingdom, Singapore, Turkey, China, Japan, South Korea, Germany Australia, Hong Kong, Sharjah and Canada. In addition, the Bank owns 100% of the issued share capital of Doha Bank Assurance Company L.L.C., an insurance company registered under Qatar Financial Centre and Doha Finance Limited, a special purpose vehicle set up for the issuance of debt. The interim condensed consolidated financial statements for the three months ended 31 March 2014 comprises the Bank and its subsidiaries (together referred to as “the Group”).

The interim condensed consolidated financial statements of the Group for the three months ended 31 March 2014 were authorised for issue by the Board of Directors on 20 April 2014.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the three months ended 31 March 2014 have been prepared in accordance with IAS 34, Interim Financial Reporting and the applicable provisions of Qatar Central Bank regulations.

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

New and amended standards and interpretations adopted by the Group

The accounting policies adopted in the preparation of the 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 2013, except for the adoption of new standards and interpretations effective as of 1 January 2014.

The nature and the impact of each new standard or amendment is described below:

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 Consolidated Financial Statements. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact to the Group, since none of the entities in the Group qualifies to be an investment entity under IFRS 10.

Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32

These amendments clarify the meaning of ‘currently has a legally enforceable right to set-off’ and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These amendments have no impact on the Group.

Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments have no impact to the Group as the Group has not novated its derivatives during the current or prior periods.

Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36

These amendments remove the unintended consequences of IFRS 13 Fair Value Measurement on the disclosures required under IAS 36 Impairment of Assets. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognised or reversed during the period. The Group early adopted these disclosure requirements in the annual consolidated financial statements for the year ended 31 December 2013.

3 OPERATING SEGMENTS

The Group organizes and manages its operations by 2 business segments, which comprise conventional banking and insurance activities.

Conventional Banking

- Corporate Banking provides a range of product and service offerings to business and corporate customers including funded and non-funded credit facilities deposits to corporate customers. It also undertakes funding and centralized risk management activities through borrowings, issue of debt securities, use of derivatives for risk management purposes and investing in liquid assets such as short term placements and corporate and government debt securities.
- Retail Banking provides a diversified range of products and services to individuals. The range includes loans, credit cards, deposits and other transactions with retail customers.

Insurance Activities

Insurance activities to customers include effecting contracts of insurance, carrying out contracts of insurance, arranging deals in investments and advising on investments.

Details of each segment as of and for the three months ended 31 March 2014 are stated below:

DOHA BANK Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months period ended 31 March 2014

3 OPERATING SEGMENTS (continued)

	<i>Conventional banking</i>			<i>Total QAR'000</i>	<i>Insurance QAR'000</i>	<i>Total QAR'000</i>
	<i>Corporate banking QAR'000</i>	<i>Retail banking QAR'000</i>	<i>Unallocated QAR'000</i>			
<i>For the three months ended 31 March 2014</i>						
Interest/similar income	528,649	99,232	-	627,881	-	627,881
Net income on insurance activities	-	-	-	-	5,131	5,131
Other income	158,525	30,200	15,018	203,743	3,096	206,839
Segmental revenue	687,174	129,432	15,018	831,624	8,227	839,851
Profit for the period				397,078	2,269	399,347
As at 31 March 2014						
Assets	57,483,246	7,197,034	5,113,040	69,793,320	253,348	70,046,668
Investments in an associate						9,668
Total assets						70,056,336
Liabilities	49,389,808	9,480,905	509,742	59,380,455	116,662	59,497,117
Contingent items	26,445,632	154,373	-	26,600,005	-	26,600,005

DOHA BANK Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months period ended 31 March 2014

3 OPERATING SEGMENTS (continued)

	<i>Conventional banking</i>			<i>Total QAR'000</i>	<i>Insurance QAR'000</i>	<i>Total QAR'000</i>
	<i>Corporate banking QAR'000</i>	<i>Retail banking QAR'000</i>	<i>Unallocated QAR'000</i>			
<i>For the three months ended 31 March 2013</i>						
Interest/similar income	464,781	103,059	-	567,840	-	567,840
Net income on insurance activities	-	-	-	-	4,331	4,331
Other income	173,153	25,453	12,811	211,417	1,161	212,578
Segmental revenue	637,934	128,512	12,811	779,257	5,492	784,749
Profit for the period				395,258	46	395,304
As at 31 December 2013						
Assets	55,234,965	6,935,248	4,535,871	66,706,084	254,358	66,960,442
Investments in an associate						9,382
Total assets						66,969,824
Liabilities	46,114,803	8,864,432	599,300	55,578,535	120,386	55,698,921
Contingent items	26,463,508	235,114	-	26,698,622	-	26,698,622

Geographically, the Group operates in the State of Qatar, the United Arab Emirates and the State of Kuwait. Qatar operations contributed approximately 97.40% (31 March 2013: 99.70%) of the Bank's profit for the three month period ended 31 March 2014 and approximately 91.27% (31 March 2013: 95.51%; 31 December 2013: 94.34%) of its assets.

4 FAIR VALUE OF FINANCIAL INSTRUMENTS***Fair value hierarchy***

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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.

As at 31 March 2014, the Group held the following classes of financial instruments measured at fair value:

	<i>Level 1</i> <i>QAR'000</i>	<i>Level 2</i> <i>QAR'000</i>	<i>Level 3</i> <i>QAR'000</i>	<i>Total</i> <i>QAR'000</i>
At 31 March 2014				
Financial assets measured at fair value:				
Available-for-sale investment securities	3,593,956	2,148,110	-	5,742,066
Investment securities classified as held for trading	20,542	-	-	20,542
Derivative instruments:				
Interest rate swaps	-	27,720	-	27,720
Forward foreign exchange contracts	-	16,905	-	16,905
	<u>3,614,498</u>	<u>2,192,735</u>	<u>-</u>	<u>5,807,233</u>
Financial liabilities measured at fair value:				
Derivative instruments:				
Interest rate swaps	-	2,676	-	2,676
Forward foreign exchange contracts	-	16,605	-	16,605
	<u>-</u>	<u>19,281</u>	<u>-</u>	<u>19,281</u>

4 FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

	<i>Level 1</i> <i>QAR'000</i>	<i>Level 2</i> <i>QAR'000</i>	<i>Level 3</i> <i>QAR'000</i>	<i>Total</i> <i>QAR'000</i>
31 December 2013				
Financial assets measured at fair value:				
Available-for-sale Investment securities	4,442,482	1,116,413	-	5,558,895
Derivative instruments:				
Interest rate swaps	-	39,009	-	39,009
Forward foreign exchange contracts	-	19,844	-	19,844
	<u>4,442,482</u>	<u>1,175,266</u>	<u>-</u>	<u>5,617,748</u>
Financial liabilities measured at fair value:				
Derivative instruments:				
Interest rate swaps	-	4,005	-	4,005
Forward foreign exchange contracts	-	15,005	-	15,005
	<u>-</u>	<u>19,010</u>	<u>-</u>	<u>19,010</u>

During the reporting period ended 31 March 2014, there were no transfers between Level 1 and Level 2 fair value measurements. All unquoted available for sale equity investments amounting to QAR 63.4 million (31 December 2013: QAR 63.4 million) are recorded at cost since the fair value cannot be reliably measured.

Valuation techniques

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Group determines fair values using valuation techniques.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premium used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

The foreign currency forward contracts are measured based on observable spot exchange rates, the yield curves of the respective currencies as well as the currency basis spreads between the respective currencies. All contracts are fully cash collateralised, thereby eliminating both counterparty and the Group's own credit risk.

DOHA BANK Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months period ended 31 March 2014

5 LOANS AND ADVANCES TO CUSTOMERS

	<i>31 March 2014 (Reviewed) QAR'000</i>	<i>31 March 2013 (Reviewed) QAR'000</i>	<i>31 December 2013 (Audited) QAR'000</i>
Gross loans and advances to customers*	44,731,727	35,323,518	42,339,274
Allowance for impairment	(1,305,085)	(891,343)	(1,230,158)
Net loans and advances to customers	<u>43,426,642</u>	<u>34,432,175</u>	<u>41,109,116</u>

The aggregate amount of non-performing loans and advances to customers amounted to QAR 1,278 million representing 2.86% of the total loans and advances to customers as at 31 March 2014 (31 March 2013: QAR 1,021 million representing 2.89% of total loans and advances to customers; 31 December 2013: QAR 1,273 million, representing 3.01 % of total loans and advances to customers).

Allowance for impairment of loans and advances to customers includes interest in suspense of QAR 197.7 million (31 March 2013: QAR 116.8 million, 31 December 2013: QAR 177.7 million).

*This includes acceptances pertaining to trade finance amounting to QAR 1,090.4 million (31 March 2013: QAR 1,000.6 million, 31 December 2013: QAR 1,040.3 million).

6 INVESTMENT SECURITIES

	<i>31 March 2014 (Reviewed) QAR'000</i>	<i>31 March 2013 (Reviewed) QAR'000</i>	<i>31 December 2013 (Audited) QAR'000</i>
Available-for-sale	5,805,512	4,437,512	5,622,300
Held to maturity	4,233,215	6,252,455	6,081,277
Investment securities classified as held for trading	20,542	-	-
	<u>10,059,269</u>	<u>10,689,967</u>	<u>11,703,577</u>

7 DEBT SECURITIES

	<i>31 March 2014 (Reviewed) QAR'000</i>	<i>31 March 2013 (Reviewed) QAR'000</i>	<i>31 December 2013 (Audited) QAR'000</i>
Subordinated debt notes (a)	771,609	770,960	771,447
Senior guaranteed notes (b)	1,806,931	1,802,325	1,804,384
	<u>2,578,540</u>	<u>2,573,285</u>	<u>2,575,831</u>

Note (a)

On 12 December 2006, the Group issued US\$ 340 million subordinated floating rate step up notes at a nominal value of US\$ 100,000 per note. The notes mature in 2016 and carry interest at three months US\$ LIBOR plus 1.32% per annum.

Note (b)

On 14 March 2012, the Group issued US\$ 500 million senior guaranteed notes at 98.964% of nominal value. The notes have a minimum nominal denomination of US\$ 200,000. The notes mature in 2017 and carry interest at fixed rate of 3.50% payable semi-annually.

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8 OTHER BORROWINGS

	<i>31 March 2014 (Reviewed) QAR'000</i>	<i>31 March 2013 (Reviewed) QAR'000</i>	<i>31 December 2013 (Audited) QAR'000</i>
Term loan facilities	<u>817,593</u>	<u>-</u>	<u>455,188</u>

The table below shows the maturity profile of other borrowings.

	<i>31 March 2014 (Reviewed) QAR'000</i>	<i>31 March 2013 (Reviewed) QAR'000</i>	<i>31 December 2013 (Audited) QAR'000</i>
Up to 1 year	182,075	-	182,075
Between 1 and 3 years	<u>635,518</u>	<u>-</u>	<u>273,113</u>
	<u>817,593</u>	<u>-</u>	<u>455,188</u>

9 FAIR VALUE RESERVE

	<i>31 March 2014 (Reviewed) QAR'000</i>	<i>31 March 2013 (Reviewed) QAR'000</i>	<i>31 December 2013 (Audited) QAR'000</i>
Balance at 1 January	(43,355)	126,856	126,856
Net unrealized gain (losses) on available-for-sale investment securities	29,214	(7,849)	(78,357)
Reclassified to interim consolidated statement of income	<u>22,144</u>	<u>(91,490)</u>	<u>(91,854)</u>
Balance at end of the period/year	<u>8,003</u>	<u>27,517</u>	<u>(43,355)</u>

10 DIVIDENDS PAID

A cash dividend of 45% (or QAR 4.50 per share) relating to the year ended 31 December 2013 (2012: QAR 4.50 per share), amounting to QAR 1,162,675 thousand (2012: QAR 930,140 thousand), was approved at the Annual General Assembly held on 3 March 2014 and paid during the period.

11 INSTRUMENT ELIGIBLE AS ADDITIONAL CAPITAL

In December 2013, the Group issued regulatory Tier I capital notes amounting to QAR 2 billion. The notes are perpetual, subordinated, unsecured and have been issued at a fixed interest rate for the first six years and on a floating rate basis thereafter. The Bank can elect not to pay a coupon at its own discretion. Note holders will not have a right to claim the coupon and the event is not considered an event of default. The notes carry no maturity date and have been classified under equity.

12 FINANCIAL COMMITMENTS AND CONTINGENCIES

	<i>31 March 2014 (Reviewed) QAR'000</i>	<i>31 March 2013 (Reviewed) QAR'000</i>	<i>31 December 2013 (Audited) QAR'000</i>
(a) Contingent commitments			
Guarantees	17,913,787	15,338,696	17,779,104
Letter of credit	3,742,930	4,605,479	2,786,771
Unused credit facilities	4,943,288	5,287,524	6,132,747
Others	1,965,089	2,110,737	1,937,207
	<u>28,565,094</u>	<u>27,342,436</u>	<u>28,635,829</u>
(b) Other commitments			
Forward foreign exchange contracts	3,996,797	5,223,034	3,233,755
Interest rate swaps	882,700	360,509	711,549
	<u>4,879,497</u>	<u>5,583,543</u>	<u>3,945,304</u>
Total	<u>33,444,591</u>	<u>32,925,979</u>	<u>32,581,133</u>

The derivative instruments are reflected in the accompanying interim condensed consolidated financial statements at their fair value and are presented under other commitments at their notional amount.

13 RELATED PARTY TRANSACTIONS

The Group enters into transactions, arrangements and agreements involving members of the Board of Directors and their related concerns in the ordinary course of business at commercial interest and commission rates. Balances with related parties and transactions with related parties at the end of the reporting period were as follows:

	<i>31 March 2014 (Reviewed) QAR'000</i>	<i>31 March 2013 (Reviewed) QAR'000</i>	<i>31 December 2013 (Audited) QAR'000</i>
Statement of financial position items			
Loans and advances	<u>871,469</u>	<u>1,258,930</u>	<u>1,350,905</u>
Customer deposits	<u>465,824</u>	<u>138,546</u>	<u>380,705</u>
Contingent liabilities and other commitments	<u>502,449</u>	<u>296,003</u>	<u>621,880</u>
		<i>Three Months Ended</i>	
		<i>31 March 2014 (Reviewed) QAR'000</i>	<i>31 March 2013 (Reviewed) QAR'000</i>
Statement of income items			
Interest and commission income		<u>5,065</u>	<u>8,911</u>
Interest and commission expenses		<u>1,307</u>	<u>834</u>
Compensation to Board of Directors			
Salaries and other benefits		<u>7,921</u>	<u>13,289</u>
End of service benefits and pension fund		<u>544</u>	<u>697</u>
		<u>8,465</u>	<u>13,986</u>

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14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purpose of interim consolidated statement of cash flows, comprise the following:

	<i>31 March 2014 (Reviewed) QAR'000</i>	<i>31 March 2013 (Reviewed) QAR'000</i>	<i>31 December 2013 (Audited) QAR'000</i>
Cash and balances with central banks	1,901,857	1,598,232	1,635,230
Balance due from banks maturing within 3 months	8,593,944	2,073,231	6,663,149
	<u>10,495,801</u>	<u>3,671,463</u>	<u>8,298,379</u>

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