



Interim Condensed Consolidated Financial Statements

30 June 2017

Independent Auditors' Report on Review of Interim Condensed Consolidated Financial Statements to the Board of Directors of Qatar National Bank (Q.P.S.C.)

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Qatar National Bank (Q.P.S.C.) (the "Bank") and its subsidiaries (the "Group") as at 30 June 2017, comprising of the interim consolidated statement of financial position as at 30 June 2017 and the related interim consolidated statements of income and comprehensive income for the three and six month period ended 30 June 2017, the related interim consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three and six month period then ended, and the related explanatory notes. The Board of Directors are 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
Qatar Auditors Registry Number 236

Doha - State of Qatar
11 July 2017

Qatar National Bank (Q.P.S.C.)
Interim Consolidated Statement of Financial Position
As at 30 June 2017

	Notes	30 June 2017 (Reviewed) QR000	30 June 2016 (Reviewed) QR000	31 December 2016 (Audited) QR000
ASSETS				
Cash and Balances with Central Banks		51,377,990	48,065,883	43,183,576
Due from Banks		45,658,852	19,292,930	45,721,215
Loans and Advances to Customers	3	552,238,337	496,636,948	520,417,231
Investment Securities	4	86,037,432	95,727,696	79,993,550
Investment in Associates		7,078,254	7,655,697	7,340,355
Property and Equipment		4,244,696	4,090,554	4,208,679
Intangible Assets		3,845,272	5,692,812	3,882,648
Other Assets		17,570,885	14,678,338	14,947,261
Total Assets		768,051,718	691,840,858	719,694,515
LIABILITIES				
Due to Banks		53,409,996	46,209,625	61,834,516
Customer Deposits		562,055,473	488,408,351	506,694,587
Debt Securities		25,816,943	26,406,801	28,825,874
Other Borrowings		22,913,248	23,108,224	23,728,887
Other Liabilities		30,061,437	34,410,813	27,757,233
Total Liabilities		694,257,097	618,543,814	648,841,097
EQUITY				
Issued Capital		9,236,429	8,396,753	8,396,753
Legal Reserve		25,326,037	24,486,361	24,486,361
Risk Reserve		7,000,000	5,000,000	7,000,000
Fair Value Reserve	5	(908,614)	(1,108,462)	24,456
Foreign Currency Translation Reserve		(11,435,108)	(2,933,112)	(11,604,928)
Other Reserves		749,650	1,055,679	608,600
Retained Earnings		32,885,535	27,441,013	31,112,008
Total Equity Attributable to Equity Holders of the Bank		62,853,929	62,338,232	60,023,250
Non - Controlling Interests		940,692	958,812	830,168
Instrument Eligible for Additional Tier 1 Capital		10,000,000	10,000,000	10,000,000
Total Equity		73,794,621	73,297,044	70,853,418
Total Liabilities and Equity		768,051,718	691,840,858	719,694,515

This interim condensed consolidated financial statements were approved by the Board of Directors on 11 July 2017 and were signed on its behalf by:

Ali Shareef Al-Emadi
Chairman

Ali Ahmed Al Kuwari
Group Chief Executive Officer

The attached notes 1 to 12 form an integral part of these interim condensed consolidated financial statements.

Qatar National Bank (Q.P.S.C.)
Interim Consolidated Statement of Income
For the Six Months Period Ended 30 June 2017

	Three Months to 30 June 2017 (Reviewed) QR000	Three Months to 30 June 2016 (Reviewed) QR000	Six Months to 30 June 2017 (Reviewed) QR000	Six Months to 30 June 2016 (Reviewed) QR000
Interest Income	10,241,842	13,361,119	19,424,019	18,734,543
Interest Expense	(5,822,995)	(7,749,913)	(10,828,699)	(9,835,811)
Net Interest Income	4,418,847	5,611,206	8,595,320	8,898,732
Fees and Commission Income	1,046,498	1,365,696	2,039,945	1,974,165
Fees and Commission Expense	(127,121)	(99,400)	(256,423)	(169,347)
Net Fees and Commission Income	919,377	1,266,296	1,783,522	1,804,818
Foreign Exchange Gain	224,485	218,331	445,793	419,590
Income from Investment Securities	106,286	69,578	256,637	169,613
Other Operating Income	26,159	270,146	45,554	272,347
Operating Income	5,695,154	7,435,557	11,126,826	11,565,100
Staff Expenses	(851,425)	(1,308,740)	(1,672,509)	(1,847,629)
Depreciation	(123,250)	(146,321)	(240,517)	(207,475)
Other Expenses	(680,120)	(1,132,212)	(1,311,272)	(1,453,707)
Net Impairment Losses on Investment Securities	(12,807)	(3,384)	(14,172)	(17,277)
Net Impairment Losses on Loans and Advances to Customers	(221,681)	(1,057,850)	(620,615)	(1,077,967)
Amortization of Intangible Assets	(17,959)	(87,462)	(35,740)	(107,469)
Other Provisions	(14,335)	(23,130)	(30,451)	(42,400)
	(1,921,577)	(3,759,099)	(3,925,276)	(4,753,924)
Share of Results of Associates	(119,885)	28,484	(115,106)	(40,522)
Profit Before Income Tax	3,653,692	3,704,942	7,086,444	6,770,654
Income Tax Expense	(207,420)	(306,019)	(423,947)	(488,784)
Profit for the Period	3,446,272	3,398,923	6,662,497	6,281,870
Attributable to:				
Equity Holders of the Bank	3,449,872	3,381,086	6,654,078	6,246,135
Non - Controlling Interests	(3,600)	17,837	8,419	35,735
Profit for the Period	3,446,272	3,398,923	6,662,497	6,281,870
Earnings Per Share (QR) (Basic and Diluted)	3.6	3.6	7.0	6.7
Weighted Average Number of Shares	923,642,857	923,642,857	923,642,857	923,642,857

The attached notes 1 to 12 form an integral part of these interim condensed consolidated financial statements.

Qatar National Bank (Q.P.S.C.)
Interim Consolidated Statement of Comprehensive Income
For the Six Months Period Ended 30 June 2017

	Three Months to 30 June 2017 (Reviewed) QR000	Three Months to 30 June 2016 (Reviewed) QR000	Six Months to 30 June 2017 (Reviewed) QR000	Six Months to 30 June 2016 (Reviewed) QR000
Profit for the Period	3,446,272	3,398,923	6,662,497	6,281,870
<i>Other comprehensive income to be reclassified to income statement in subsequent periods:</i>				
Foreign Currency Translation Differences for Foreign Operations	431,563	8,213	278,069	(874,075)
Share of Other Comprehensive Income of Associates	97,050	(149,772)	141,215	(156,531)
Effective Portion of Changes in Fair Value of Cash Flow Hedges	(146,083)	(190,065)	(32,780)	(603,168)
Effective Portion of Changes in Fair Value of Net Investment in Foreign Oper Available-for-Sale Investment Securities	(719,439)	-	(837,507)	-
Net Change in Fair Value	(58,710)	(165,225)	143,247	(662,890)
Net Amount Transferred to Income Statement	(86,683)	(47,621)	(204,938)	(130,619)
Total Other Comprehensive Income for the Period, net of Income Tax	(482,302)	(544,470)	(512,694)	(2,427,283)
Total Comprehensive Income for the Period	2,963,970	2,854,453	6,149,803	3,854,587
Attributable to:				
Equity Holders of the Bank	2,965,372	2,815,827	6,031,878	3,798,063
Non - Controlling Interests	(1,402)	38,626	117,925	56,524
Total Comprehensive Income for the Period	2,963,970	2,854,453	6,149,803	3,854,587

The attached notes 1 to 12 form an integral part of these interim condensed consolidated financial statements.

Qatar National Bank (Q.P.S.C.)
Interim Consolidated Statement of Changes in Equity
For the Six Months Period Ended 30 June 2017

	Issued Capital	Legal Reserve	Risk Reserve	Fair Value Reserve	Foreign Currency Translation Reserve	Other Reserves	Retained Earnings	Equity Attributable to Equity Holders of the Bank	Non Controlling Interests	Instrument Eligible for Additional Tier 1 Capital	Total
	QR000	QR000	QR000	QR000	QR000	QR000	QR000	QR000	QR000	QR000	QR000
Balance at 1 January 2016	6,997,294	23,086,902	5,000,000	283,607	(2,033,640)	1,212,210	26,556,932	61,103,305	952,093	-	62,055,398
Total Comprehensive Income for the Period											
Profit for the Period	-	-	-	-	-	-	6,246,135	6,246,135	35,735	-	6,281,870
Other Comprehensive Income	-	-	-	(1,392,069)	(899,472)	(156,531)	-	(2,448,072)	20,789	-	(2,427,283)
Total Comprehensive Income for the Period	-	-	-	(1,392,069)	(899,472)	(156,531)	6,246,135	3,798,063	56,524	-	3,854,587
Transfer to Legal Reserve for the Year 2015	-	1,399,459	-	-	-	-	(1,399,459)	-	-	-	-
Transactions with Equity Holders,											
Recognised Directly in Equity											
Dividend for the Year 2015	-	-	-	-	-	-	(2,449,053)	(2,449,053)	-	-	(2,449,053)
Bonus Shares for the Year 2015	1,399,459	-	-	-	-	-	(1,399,459)	-	-	-	-
Issuance of Instrument Eligible for Additional Capital	-	-	-	-	-	-	-	-	-	10,000,000	10,000,000
Net Movement in Non-controlling Interests	-	-	-	-	-	-	-	-	(49,805)	-	(49,805)
Other Movements	-	-	-	-	-	-	(114,083)	(114,083)	-	-	(114,083)
Total Transactions with Equity Holders,											
Recognised Directly in Equity	1,399,459	-	-	-	-	-	(3,962,595)	(2,563,136)	(49,805)	10,000,000	7,387,059
Balance at 30 June 2016	8,396,753	24,486,361	5,000,000	(1,108,462)	(2,933,112)	1,055,679	27,441,013	62,338,232	958,812	10,000,000	73,297,044
Balance at 1 January 2017	8,396,753	24,486,361	7,000,000	24,456	(11,604,928)	608,600	31,112,008	60,023,250	830,168	10,000,000	70,853,418
Total Comprehensive Income for the Period											
Profit for the Period	-	-	-	-	-	-	6,654,078	6,654,078	8,419	-	6,662,497
Other Comprehensive Income	-	-	-	(933,070)	169,820	141,050	-	(622,200)	109,506	-	(512,694)
Total Comprehensive Income for the Period	-	-	-	(933,070)	169,820	141,050	6,654,078	6,031,878	117,925	-	6,149,803
Transfer to Legal Reserve for the Year 2016	-	839,676	-	-	-	-	(839,676)	-	-	-	-
Transactions with Equity Holders,											
Recognised Directly in Equity											
Dividend for the Year 2016	-	-	-	-	-	-	(2,938,864)	(2,938,864)	-	-	(2,938,864)
Bonus Shares for the Year 2016	839,676	-	-	-	-	-	(839,676)	-	-	-	-
Dividend Appropriation for Instrument Eligible for Additional Tier 1 Capital	-	-	-	-	-	-	(197,500)	(197,500)	-	-	(197,500)
Net Movement in Non-controlling Interests	-	-	-	-	-	-	-	-	(7,401)	-	(7,401)
Other Movements	-	-	-	-	-	-	(64,835)	(64,835)	-	-	(64,835)
Total Transactions with Equity Holders,											
Recognised Directly in Equity	839,676	-	-	-	-	-	(4,040,875)	(3,201,199)	(7,401)	-	(3,208,600)
Balance at 30 June 2017	9,236,429	25,326,037	7,000,000	(908,614)	(11,435,108)	749,650	32,885,535	62,853,929	940,692	10,000,000	73,794,621

The attached notes 1 to 12 form an integral part of these interim condensed consolidated financial statements.

Qatar National Bank (Q.P.S.C.)
Interim Condensed Consolidated Statement of Cash Flows
For the Six Months Period Ended 30 June 2017

	Note	Six Months to 30 June 2017 (Reviewed) QR000	Six Months to 30 June 2016 (Reviewed) QR000	Year to 31 December 2016 (Audited) QR000
Net Cash Flows from Operating Activities		17,857,123	3,409,965	21,245,846
Cash Flows from Investing Activities				
Acquisitions of Investment Securities		(34,202,210)	(32,351,109)	(63,962,428)
Proceeds from Sale / Redemption of Investment Securities		28,914,539	28,454,917	59,714,925
Acquisition of Subsidiary, net of Cash Acquired		-	(9,597,745)	(9,610,068)
Additions to Property and Equipment		(284,908)	(153,349)	(1,105,261)
Proceeds from Sale of Property and Equipment		40	36	596
Net Cash Flows (used in) Investing Activities		(5,572,539)	(13,647,250)	(14,962,236)
Cash Flows from Financing Activities				
Proceeds from Issuance of Instrument Eligible for Additional Tier 1 Capital		-	10,000,000	10,000,000
Payment of Coupon on Instrument Eligible for Additional Capital		(450,000)	-	-
Proceeds from Issuance of Debt Securities		2,834,144	3,999,460	13,026,589
Repayment of Debt Securities		(5,879,811)	-	(5,228,893)
Proceeds from Issuance of Other Borrowings		901,273	9,274,272	10,998,695
Repayment of Other Borrowings		(1,731,904)	(3,170,421)	(4,033,225)
Dividends Paid		(2,929,192)	(2,462,204)	(2,468,978)
Net Cash Flows (used in) / from Financing Activities		(7,255,490)	17,641,107	22,294,188
Net Increase in Cash and Cash Equivalents		5,029,094	7,403,822	28,577,798
Effects of Exchange Rate Changes on Cash and Cash Equivalents		(53,742)	(2,681,806)	(5,764,365)
Cash and Cash Equivalents as at 1 January		52,864,047	30,050,614	30,050,614
Cash and Cash Equivalents at 30 June / 31 December	11	57,839,399	34,772,630	52,864,047

The attached notes 1 to 12 form an integral part of these interim condensed consolidated financial statements.

Qatar National Bank (Q.P.S.C.)
Notes to the Interim Condensed Consolidated Financial Statements
For the Six Months Period Ended 30 June 2017

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The accompanying interim condensed consolidated financial statements are prepared in accordance with IAS 34 - "Interim Financial Reporting" and the applicable provisions of Qatar Central Bank Regulations. These interim condensed consolidated financial statements should be read in conjunction with the 2016 annual consolidated financial statements of the Group.

The interim condensed consolidated financial statements does not contain all information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards. In addition, results for the six months period ended 30 June 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

The preparation of the 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. Actual results may differ from these estimates.

The significant judgments made by 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 2016.

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2016.

The following amendments to standards have been applied by the Group in preparation of these interim condensed consolidated financial statements. The amendments to the below standards did not have any material impact to the Group, but they may result in additional disclosures at year end:

Amendments to Standards

Annual Improvements to IFRS Standards 2014–2016 Cycle (1 January 2017)
Amendments to IAS 40 - Transfers of Investment Property (1 January 2018)
Amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses (Effective 1 January 2017)
Amendments to IAS 7 - Disclosure Initiative (Effective 1 January 2017)

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.

IFRS 9 Financial Instruments (Effective 1 January 2018).
IFRS 15 Revenue from Contracts with Customers (Effective 1 January 2018).
IFRS 16 Leases (Effective 1 January 2019)
IFRIC 22 Foreign Currency Transactions and Advance Consideration (1 January 2018)

The final version of IFRS 9 was issued in July 2014, replacing the earlier versions of introducing new classification and measurement requirements (issued in 2009 and 2010) and a new hedge accounting model (issued in 2013) and has an effective date of 1 January 2018. IFRS 9 will replace IAS 39 Financial Instruments: Recognition and Measurement and introduces new requirements for the classification and measurement of financial assets and financial liabilities, a new model based on expected credit losses for recognising loan loss provisions and provides for simplified hedge accounting by aligning hedge accounting more closely with an entity's risk management methodology.

The application of IFRS 9 may have impact on amounts reported in the interim condensed consolidated financial statements and may result in additional disclosures in the interim condensed consolidated financial statements. However, the Group is currently in the process of evaluating and implementing the required changes in its systems, policies and processes to comply with IFRS 9 and regulatory requirements, and hence it is not practical to disclose a reliable quantitative impact until the implementation is finalized.

Qatar National Bank (Q.P.S.C.)
Notes to the Interim Condensed Consolidated Financial Statements
For the Six Months Period Ended 30 June 2017

2. SEGMENT INFORMATION

The Group is organised into four main operating segments. The results of each of the operating segments which are being monitored regularly by the Chief Operating Decision Maker, are stated below:

	Qatar Operations			International Banking	Unallocated and Intra-group Transactions	Total
	Corporate Banking	Consumer Banking	Asset and Wealth Management			
	QR000	QR000	QR000			
At 30 June 2017:						
External Revenue:						
Net Interest Income	3,802,219	250,174	253,596	4,259,394	29,937	8,595,320
Net Fees and Commission Income	325,268	106,519	169,389	1,186,312	(3,966)	1,783,522
Foreign Exchange Gain	176,846	52,436	50,295	162,671	3,545	445,793
Income from Investment Securities	225,194	-	-	31,443	-	256,637
Other Operating Income	63	2	28	45,461	-	45,554
Share of Results of Associates	(139,235)	-	-	24,129	-	(115,106)
Total Segment Revenue	4,390,355	409,131	473,308	5,709,410	29,516	11,011,720
Reportable Segment Profit	4,026,692	75,554	212,458	2,459,180	(119,806)	6,654,078
Reportable Segment Investments	54,149,906	-	4,773	31,882,753	-	86,037,432
Reportable Segment Loans and Advances	334,353,669	9,778,476	19,596,750	188,509,442	-	552,238,337
Reportable Segment Customer Deposits	230,294,349	24,821,100	47,865,388	259,074,636	-	562,055,473
Reportable Segment Assets	490,658,709	24,823,325	47,299,312	420,615,271	(215,344,899)	768,051,718
At 30 June 2016:						
External Revenue:						
Net Interest Income	3,840,702	263,705	246,173	4,527,787	20,365	8,898,732
Net Fees and Commission Income	319,908	102,913	165,225	1,201,042	15,730	1,804,818
Foreign Exchange Gain	173,285	41,973	69,303	129,503	5,526	419,590
Income from Investment Securities	135,712	-	-	33,901	-	169,613
Other Operating Income	1,855	4	5	270,481	2	272,347
Share of Results of Associates	-	-	-	(40,522)	-	(40,522)
Total Segment Revenue	4,471,462	408,595	480,706	6,122,192	41,623	11,524,578
Reportable Segment Profit	3,605,848	63,475	235,589	2,446,816	(105,593)	6,246,135
Reportable Segment Investments	52,469,663	-	24,035	43,233,998	-	95,727,696
Reportable Segment Loans and Advances	280,302,054	9,846,962	19,907,021	186,580,911	-	496,636,948
Reportable Segment Customer Deposits	171,136,097	23,738,203	45,606,928	247,927,123	-	488,408,351
Reportable Segment Assets	402,215,291	24,858,727	46,868,044	391,307,684	(173,408,888)	691,840,858

Qatar National Bank (Q.P.S.C.)
Notes to the Interim Condensed Consolidated Financial Statements
For the Six Months Period Ended 30 June 2017

3. LOANS AND ADVANCES TO CUSTOMERS

	30 June 2017 (Reviewed) QR000	30 June 2016 (Reviewed) QR000	31 December 2016 (Audited) QR000
Loans and Advances to Customers	563,564,500	508,564,207	531,292,529
Deferred Profit	(92,268)	(135,184)	(91,430)
Allowance for Impairment of Loans and Advances to Customers	(11,233,895)	(11,792,075)	(10,783,868)
Net Loans and Advances	<u>552,238,337</u>	<u>496,636,948</u>	<u>520,417,231</u>

The aggregate amount of non performing loans and advances to customers amounted to QR10,192 million or 1.8% of total loans and advances (31 December 2016: QR9,465 million or 1.8% of total loans and advances to customers).

Net Loans and Advances includes QR15.6 million designated as fair value through profit or loss (FVTPL) (31 December 2016: QR23.6 million).

4. INVESTMENT SECURITIES

	30 June 2017 (Reviewed) QR000	30 June 2016 (Reviewed) QR000	31 December 2016 (Audited) QR000
Held for Trading Investment Securities	110,817	91,499	60,324
Available-for-Sale Investment Securities	39,546,241	52,079,519	36,860,490
Held to Maturity Investment Securities	46,380,374	43,556,678	43,072,736
Total	<u>86,037,432</u>	<u>95,727,696</u>	<u>79,993,550</u>

The above includes impairment allowance in respect of debt securities amounting to QR69.6 million (31 December 2016: QR60.2 million).

5. FAIR VALUE RESERVE

	30 June 2017 (Reviewed) QR000	30 June 2016 (Reviewed) QR000	31 December 2016 (Audited) QR000
Cash Flow Hedges	(553,995)	(1,099,701)	(521,444)
Available-for-Sale Investment Securities	(99,042)	(8,761)	(36,030)
Hedges of a Net Investment	(255,577)	-	581,930
Total	<u>(908,614)</u>	<u>(1,108,462)</u>	<u>24,456</u>

6. DIVIDEND

The cash dividend in respect of the year ended 31 December 2016 of QR3.5 per share, amounting to a total of QR2,939 million and a bonus share of 10% of the share capital amounting to QR839.7 million, were approved by the shareholders at the annual general assembly meeting on 5 February 2017.

Qatar National Bank (Q.P.S.C.)
Notes to the Interim Condensed Consolidated Financial Statements
For the Six Months Period Ended 30 June 2017

7. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

	30 June 2017 (Reviewed) QR000	30 June 2016 (Reviewed) QR000	31 December 2016 (Audited) QR000
Contingent Liabilities			
Unused Facilities	117,293,998	99,638,433	105,786,136
Guarantees	62,468,389	60,701,380	64,719,723
Letters of Credit	37,643,172	13,145,138	34,068,287
Others	28,166,286	30,985,001	18,127,743
Total	<u>245,571,845</u>	<u>204,469,952</u>	<u>222,701,889</u>
Other Commitments			
Derivative Financial Instruments	354,783,093	285,745,165	290,911,800
Others	11,948,876	12,153,565	13,897,029
Total	<u>366,731,969</u>	<u>297,898,730</u>	<u>304,808,829</u>

8. RELATED PARTY DISCLOSURES

The Group has transactions in the ordinary course of business with directors, officers of the Group and entities of which they have significant influence and control. As at the reporting date, such significant items included:

	30 June 2017 (Reviewed) QR000	30 June 2016 (Reviewed) QR000	31 December 2016 (Audited) QR000
Statement of Financial Position Items			
Loans and Advances	3,136,468	1,799,866	1,945,372
Deposits	448,519	544,140	286,328
Contingent Liabilities and Other Commitments	93,054	39,163	65,246
Statement of Income Items			
Interest and Commission Income	46,995	21,368	57,589
Interest and Commission Expense	941	2,629	3,973
Associates			
Due from banks	469,884	150,152	197,162
Interest and Commission Income	5,128	7,808	6,991
Due to banks	283,494	613,543	524,740
Interest and Commission Expense	1,036	1,765	2,559
Compensation of key management personnel is as follows:			
Salaries and Other Benefits	34,292	32,871	41,296
End of Service Indemnity	571	485	932

The Group also has significant commercial transactions with the State of Qatar, which owns 50% of the Bank's outstanding shares through Qatar Investment Authority, amounting to QR113,736 million included in loans and advances (31 December 2016: QR105,665 million) and QR26,082 million included in customer deposits (31 December 2016: QR13,219 million).

9. CAPITAL ADEQUACY

	30 June 2017 (Reviewed) QR000	30 June 2016 (Reviewed) QR000	31 December 2016 (Audited) QR000
Common Equity Tier 1 (CET 1) Capital	52,346,726	50,705,559	52,712,890
Eligible Additional Tier 1 (AT1) Capital Instruments	10,000,000	10,000,000	10,000,000
Additional Tier 1 Capital	83,321	66,556	69,093
Additional Tier 2 Capital	68,810	44,665	68,637
Total Eligible Capital	<u>62,498,857</u>	<u>60,816,780</u>	<u>62,850,620</u>
Risk Weighted Assets	<u>399,819,893</u>	<u>428,718,103</u>	<u>393,899,971</u>
Total Capital Ratio	15.6%	14.2%	16.0%

The Bank has followed Basel III Capital Adequacy Ratio (CAR) with effect from 1 January 2014 in accordance with Qatar Central Bank regulations. The minimum accepted Capital Adequacy Ratio under Basel III as per Qatar Central Bank Requirements are as follows:

Minimum limit without Capital Conservation buffer is 10%.

Minimum limit including Capital Conservation buffer, iCAAP buffer and the applicable Domestically Systemically Important Bank ("DSIB") buffer for 2017 is 14.8%.

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10. FAIR VALUE HIERARCHY 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:

	Level 1 QR000	Level 2 QR000	Level 3 QR000	Total QR000
At 30 June 2017:				
Derivative Assets Held for Risk Management	1,042	5,507,571	-	5,508,613
Loans and Advances to Customers designated at FVTPL	-	15,624	-	15,624
Investment Securities	29,132,484	10,336,775	-	39,469,259
	29,133,526	15,859,970	-	44,993,496
Derivative Liabilities Held for Risk Management	431	3,787,278	-	3,787,709
	431	3,787,278	-	3,787,709
At 31 December 2016:				
Derivative Assets Held for Risk Management	3,900	6,848,267	-	6,852,167
Loans and Advances to Customers designated at FVTPL	-	23,558	-	23,558
Investment Securities	25,287,123	11,453,003	-	36,740,126
	25,291,023	18,324,828	-	43,615,851
Derivative Liabilities Held for Risk Management	518	4,198,464	-	4,198,982
	518	4,198,464	-	4,198,982

The above table does not include QR187.8 million (31 December 2016: QR180.7 million) of available-for-sale equity investments that were measured at cost.

There have been no transfers between Level 1 and Level 2 (31 December 2016: Nil).

11. CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following balances:

	30 June 2017 (Reviewed) QR000	30 June 2016 (Reviewed) QR000	31 December 2016 (Audited) QR000
Cash and Balances with Central Banks	18,138,702	22,264,212	13,816,989
Due from Banks Maturing in Three months	39,700,697	12,508,418	39,047,058
Total	57,839,399	34,772,630	52,864,047

Cash and Balances with Central Banks do not include mandatory reserve deposits.

12. COMPARATIVE FIGURES

Certain prior year amounts have been reclassified in order to conform with the current period presentation.