



The Commercial Bank (P.S.Q.C.)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 March 2019



Ernst & Young - (Qatar Branch)
P.O. Box 164
Burj Al Gassar, 24th floor
Majlis Al Taawon Street, Onaiza
West Bay
Doha, State of Qatar

Tel: +974 4457 4111
Fax: +974 4441 4649
doha@qa.ey.com
ey.com/mena

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INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF THE COMMERCIAL BANK (P.S.Q.C.)

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of The Commercial Bank (P.S.Q.C.) (the "Bank") and its subsidiaries (the "Group") as at 31 March 2019, comprising of the interim consolidated statement of financial position as at 31 March 2019 and the related interim consolidated statements of income and comprehensive income for the three month period ended 31 March 2019, the related interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the three 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.


Ahmed Sayed
of Ernst & Young
Auditor's Registration No. 326



Date: 17 April 2019
Doha

The Commercial Bank (P.S.Q.C.)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

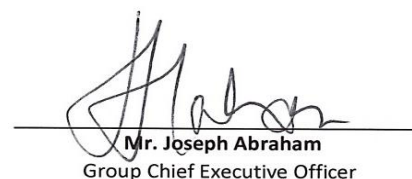
QAR '000s

	Notes	31-Mar-2019 Reviewed	31-Mar-2018 Reviewed	31-Dec-2018 Audited
ASSETS				
Cash and balances with central banks		7,513,767	8,436,571	6,716,058
Due from banks		14,954,192	12,175,300	9,468,706
Loans and advances to customers	7	85,160,983	92,727,793	83,701,631
Investment securities	8	22,868,638	20,211,226	22,107,807
Investment in associates and a joint venture	9	2,127,876	2,049,302	2,096,310
Asset held for sale	10	2,559,591	2,559,591	2,559,591
Property and equipment		2,838,080	2,580,746	2,718,913
Intangible assets		262,332	404,813	283,049
Other assets		5,673,895	5,200,917	5,418,645
TOTAL ASSETS		143,959,354	146,346,259	135,070,710
LIABILITIES				
Due to banks	11	12,031,483	16,810,355	13,820,543
Customer deposits	12	81,596,564	79,299,574	71,321,450
Debt securities	13	17,429,804	13,280,183	15,998,539
Other borrowings	14	7,599,355	10,391,530	8,301,828
Other liabilities		5,435,367	7,319,933	5,628,930
TOTAL LIABILITIES		124,092,573	127,101,575	115,071,290
EQUITY				
Share capital	15	4,047,254	4,047,254	4,047,254
Legal reserve		9,746,882	9,743,509	9,745,152
General reserve		26,500	26,500	26,500
Risk reserve		886,151	361,151	886,151
Fair value reserve		17,795	(215,360)	(73,466)
Treasury shares		(179,507)	(179,507)	(179,507)
Foreign currency translation reserve		(1,864,748)	(1,445,319)	(1,816,866)
Other reserves		1,116,861	1,028,901	1,079,858
Revaluation reserve		1,283,920	1,264,794	1,283,920
Retained earnings		785,663	612,745	1,000,413
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK		15,866,771	15,244,668	15,999,409
Non-controlling interests		10	16	11
Instruments eligible for additional capital		4,000,000	4,000,000	4,000,000
TOTAL EQUITY		19,866,781	19,244,684	19,999,420
TOTAL LIABILITIES AND EQUITY		143,959,354	146,346,259	135,070,710

The interim condensed consolidated financial statements were approved by the Board of Directors on 17 April 2019 and were signed on its behalf by:


Mr. Hussain Ibrahim Alfardan
 Vice Chairman


HE Mr. Abdul Rahman Bin Hamad Al Attiyah
 Member


Mr. Joseph Abraham
 Group Chief Executive Officer

The attached notes 1 to 21 form an integral part of these interim condensed consolidated financial statements



The Commercial Bank (P.S.Q.C.)
INTERIM CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2019

QAR '000s

	Notes	Three months ended	
		31-Mar-2019 Reviewed	31-Mar-2018 Reviewed
Interest income		1,587,501	1,422,622
Interest expense		(1,006,854)	(763,389)
Net interest income		580,647	659,233
Fee and commission income		308,172	294,021
Fee and commission expense		(86,347)	(76,532)
Net fee and commission income		221,825	217,489
Net foreign exchange gain		78,034	30,356
Net income /(losses) from investment securities		6,279	(5,314)
Other operating income		12,965	17,422
Net operating income		899,750	919,186
Staff costs		(171,039)	(176,480)
Depreciation		(40,298)	(34,332)
Amortization of intangible assets		(13,578)	(14,013)
Net impairment reversal on investment securities		4,662	4,906
Net impairment losses on loans and advances to customers	7	(207,321)	(221,714)
Net impairment losses on other financial assets		(17,875)	(19,053)
Other expenses		(53,215)	(86,669)
Profit before share of results of associates and a joint venture		401,086	371,831
Share of results of associates and a joint venture		41,503	43,385
Profit before tax		442,589	415,216
Income tax expense		(11,518)	(10,524)
Profit for the period		431,071	404,692
Attributable to:			
Equity holders of the bank		431,071	404,691
Non-controlling interests		-	1
Profit for the period		431,071	404,692
Earnings per share			
Basic/diluted earnings per share (QAR)	17	1.07	1.00

The attached notes 1 to 21 form an integral part of these interim condensed consolidated financial statements

The Commercial Bank (P.S.Q.C.)

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 31 MARCH 2019

QAR '000s

	Three months ended	
	31-Mar-2019 Reviewed	31-Mar-2018 Reviewed
Profit for the period	431,071	404,692
Other comprehensive income for the period:		
Items that are, or may be subsequently reclassified to profit or loss:		
Foreign currency translation differences from foreign operation	(47,882)	(61,393)
Share of other comprehensive income of investment in associates and a joint venture	208	(3,566)
Net movement in cash flow hedges-effective portion of changes in fair value	(18,291)	-
Net change in fair value of investments in debt securities designated at FVOCI :		
Net change in fair value	154,960	(174,565)
Net amount transferred to interim consolidated statement of income	(533)	39,674
Items that may not be subsequently reclassified to profit or loss:		
Net change in fair value of equity investments designated at FVOCI	(39,438)	(2,002)
Share of other comprehensive income of investment in associates and a joint venture	(5,645)	-
Other comprehensive income /(loss) for the period	43,379	(201,852)
Total comprehensive income for the period	474,450	202,840
Attributable to:		
Equity holders of the bank	474,450	202,839
Non-controlling interests	-	1
Total comprehensive income for the period	474,450	202,840

The attached notes 1 to 21 form an integral part of these interim condensed consolidated financial statements

The Commercial Bank (P.S.Q.C.)

 INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE THREE MONTHS ENDED 31 MARCH 2019

QAR '000s

Notes	Share Capital	Legal Reserve	General Reserve	Risk Reserve	Fair Value Reserve	Treasury Shares	Foreign Currency Translation Reserve	Other Reserves	Revaluation Reserve	Retained Earnings	Total Equity Attributable to Equity Holders of the Bank	Non-Controlling Interests	Instruments Eligible for Additional Capital	Total Equity
Balance as at 1 January 2019	4,047,254	9,745,152	26,500	886,151	(73,466)	(179,507)	(1,816,866)	1,079,858	1,283,920	1,000,413	15,999,409	11	4,000,000	19,999,420
Profit for the period	-	-	-	-	91,261	-	(47,882)	-	-	431,071	431,071	-	-	431,071
Other comprehensive income	-	-	-	-	91,261	-	(47,882)	-	-	-	43,379	-	-	43,379
Total comprehensive income	-	-	-	-	91,261	-	(47,882)	-	-	431,071	474,450	-	-	474,450
Transfer to legal reserve	-	1,730	-	-	-	-	-	-	-	(1,730)	-	-	-	-
Net movement in other reserves	-	-	-	-	-	-	-	37,003	-	(37,003)	-	-	-	-
Contributions by and distributions to equity holders of the bank:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends for the year 2018	-	-	-	-	-	-	-	-	-	(607,088)	(607,088)	-	-	(607,088)
Total contributions by and distributions to equity holders of the bank	-	-	-	-	-	-	-	-	-	(607,088)	(607,088)	-	-	(607,088)
Net movement in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1)	-	(1)
Balance as at 31 March 2019	4,047,254	9,746,882	26,500	886,151	17,795	(179,507)	(1,864,748)	1,116,861	1,283,920	785,663	15,866,771	10	4,000,000	19,866,781

Notes	Share Capital	Legal Reserve	General Reserve	Risk Reserve	Fair Value Reserve	Treasury Shares	Foreign Currency Translation	Other Reserves	Revaluation Reserve	Retained Earnings	Total Equity Attributable to Equity	Non-Controlling Interests	Instruments Eligible for Additional	Total Equity
Balance as at 1 January 2018	4,047,254	9,742,066	26,500	1,890,408	(44,500)	(179,507)	(1,383,926)	1,064,189	1,264,794	594,226	17,021,504	15	4,000,000	21,021,519
Transition adjustments on adoption of IFRS 9 on 1 January 2018*	-	-	-	(1,529,257)	(30,401)	-	-	(78,673)	-	63,381	(1,574,950)	-	-	(1,574,950)
Balance as at 1 January 2018 – restated	4,047,254	9,742,066	26,500	361,151	(74,901)	(179,507)	(1,383,926)	985,516	1,264,794	657,607	15,446,554	15	4,000,000	19,446,569
Profit for the period	-	-	-	-	-	-	-	-	-	404,691	404,691	1	-	404,692
Other comprehensive loss	-	-	-	-	(140,459)	-	(61,393)	-	-	-	(201,852)	-	-	(201,852)
Total comprehensive income for the period	-	-	-	-	(140,459)	-	(61,393)	-	-	404,691	202,839	1	-	202,840
Transfer to legal reserve	-	1,443	-	-	-	-	-	-	-	(1,443)	-	-	-	-
Net movement in other reserves	-	-	-	-	-	-	-	43,385	-	(43,385)	-	-	-	-
Contributions by and distributions to equity holders of the bank:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends for the year 2017	-	-	-	-	-	-	-	-	-	(404,725)	(404,725)	-	-	(404,725)
Total contributions by and distributions to equity holders of the bank	-	-	-	-	-	-	-	-	-	(404,725)	(404,725)	-	-	(404,725)
Net movement in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	4,047,254	9,743,509	26,500	361,151	(215,360)	(179,507)	(1,445,319)	1,028,901	1,264,794	612,745	15,244,668	16	4,000,000	19,244,684

* Includes transition on adoption of IFRS 9 for Investment in associate.

The attached notes 1 to 21 form an integral part of these interim condensed consolidated financial statements

The Commercial Bank (P.S.Q.C.)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE THREE MONTHS ENDED 31 MARCH 2019

QAR '000s

	Three months ended		Year ended
	31-Mar-2019 Reviewed	31-Mar-2018 Reviewed	31-Dec-2018 Audited
Cash flows from operating activities			
Profit before tax	442,589	415,216	1,701,060
<i>Adjustments for:</i>			
Net impairment losses on loans and advances to customers	207,321	221,714	927,164
Net impairment (reversal) / losses on investment securities	(4,662)	(4,906)	399
Net impairment losses on other financial assets	17,875	19,053	(92,055)
Depreciation	40,298	34,332	129,227
Amortization of intangible assets and transaction costs	22,619	23,909	97,592
Net (gain) / loss on investment securities	(4,432)	8,060	24,131
Gain on disposal of property and equipment and other assets	-	(51)	(91)
Share of results of associates and a joint venture	(41,503)	(43,385)	(201,346)
Operating profit before working capital changes	680,105	673,942	2,586,081
<i>Working capital changes</i>			
Change in due from banks	(1,769,780)	1,320,564	908,197
Change in loans and advances to customers	(2,240,800)	(5,363,414)	(898,316)
Change in other assets	(312,789)	(803,772)	(1,322,483)
Change in due to banks	(1,657,786)	3,352,834	673,265
Change in customer deposits	10,718,366	1,735,902	(3,148,142)
Change in other liabilities	(289,961)	1,796,021	282,206
Contribution to social and sports fund	(41,580)	(15,091)	(15,091)
Net cash flows from / (used in) operating activities	5,085,775	2,696,986	(934,283)
Cash flows from investing activities			
Acquisition of investment securities	(1,425,145)	(1,384,162)	(7,323,607)
Investment in associate participating in right issue	-	(272,491)	(272,491)
Dividend received from associates and a joint venture	4,500	-	76,627
Proceeds from sale/maturity of investment securities	651,147	546,042	3,977,082
Acquisition of property and equipment and intangible assets	(15,163)	(27,201)	(286,431)
Proceeds from the sale of property and equipment and other assets	2,368	272	4,184
Net cash flows used in investing activities	(782,293)	(1,137,540)	(3,824,636)
Cash flows from financing activities			
Proceeds from issue of debt securities	2,667,464	3,501,586	9,508,091
Repayment of debt securities	(1,224,795)	(1,827,753)	(5,055,194)
Repayment of other borrowings	(1,638,669)	(777,915)	(6,634,330)
Proceeds from other borrowings	1,000,366	1,924,104	6,583,404
Dividends paid (note 16)	(607,088)	(404,725)	(404,725)
Net cash flows from / (used in) financing activities	197,278	2,415,297	3,997,246
Net increase / (decrease) in cash and cash equivalents	4,500,760	3,974,743	(761,673)
Effect of exchange rate fluctuation	145,846	172,754	424,784
Cash and cash equivalents as at 1 January	9,984,546	10,321,435	10,321,435
Cash and cash equivalents at the end of the period / year (note 19)	14,631,152	14,468,932	9,984,546
Net cash flows from interest and dividend:			
Interest paid	884,696	485,500	3,455,544
Interest received	1,615,248	1,300,752	5,864,966
Dividend received	1,847	2,746	5,305

The attached notes 1 to 21 form an integral part of these interim condensed consolidated financial statements

The Commercial Bank (P.S.Q.C.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31-March-2019

QAR '000s

1- REPORTING ENTITY

The Commercial Bank (P.S.Q.C.) (the "Bank") is an entity domiciled in the State of Qatar and was incorporated in 1974 as a public shareholding company under Emiri Decree No.73 of 1974. The commercial registration number of the Bank is 150. The address of the Bank's registered office is PO Box 3232, Doha, State of Qatar. The condensed consolidated interim financial statements of the Bank comprise the Bank and its subsidiaries (together referred to as the "Group"). The Group is primarily engaged in conventional banking, brokerage services and the credit card business and operates through its head office, branches and subsidiaries.

The principal subsidiaries of the Group are as follows:

<u>Name of subsidiary</u>	<u>Country of incorporation</u>	<u>Capital of the subsidiary</u>	<u>Activity of the subsidiary</u>	<u>Percentage of ownership</u>	
				<u>31 Mar 2019</u>	<u>31 Mar 2018</u>
Alternatifbank A.S.	Turkey	TRY 1,439,725,000	Banking services	100%	100%
Commercial bank Financial Services L.L.C.	Qatar	QAR 100,000,000	Brokerage services	100%	100%
CBQ Finance Limited	Bermuda	US\$ 1,000	Debt issuance for the Bank	100%	100%

2- BASIS OF PREPARATION

(a) Statement of compliance

The accompanying interim condensed consolidated financial information is prepared in accordance with IAS 34 - "Interim Financial Reporting" and the applicable provisions of Qatar Central Bank ("QCB") Regulations. This interim condensed consolidated financial information should be read in conjunction with the 2018 annual consolidated financial statements of the Group.

The interim condensed consolidated financial statements do not include all the information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards and the applicable provisions of QCB regulations. The results for the three months ended 31 March 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

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

3- SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied in these interim condensed consolidated financial statements are the same as those applied in the last annual consolidated financial statements as at 31 December 2018.

(a) New standards, amendments and interpretations :

The Group has adopted the following new and amended International Accounting Standards/International Financial Reporting Standards as of 1 January 2019:

IFRS 16 Leases

IFRS 16 was issued in January 2016. It will result in almost all leases being recognized on the balance sheet by lessee, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exception are short-term and low-value leases.

The Group has applied the standard from its mandatory adoption date of 1 January 2019. The Group has applied the simplified transition approach and has not restated comparative amounts, prior to the date of the standard.

Further the Group has used the following practical expedients on initial application:

- Used the Group's previous assessment of which existing contracts are or contain lease;
- Where the unexpired lease term of less than 12 months or leases are of low value (USD 5,000 or less), then the Group has elected to use the short term lease exemption.

The Group's activities as a lessor are not material and hence the Bank does not expect any significant impact on the financial statements.

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019.

The following amounts are recognised under the new standard and included in the respective headings of the interim consolidated statement of financial position and interim consolidated statement of income:

	31-Mar-2019	1-Jan-2019
	Reviewed	Reviewed
Right of use Asset (Property & Equipment)	148,416	143,765
Lease Liability (Other Liabilities)	148,801	130,373
		Three months ended
		31-Mar-2019
		Reviewed
Depreciation charge for Right of Use Asset		8,844
Interest expense on lease liabilities		2,771

The Commercial Bank (P.S.Q.C.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31-March-2019

QAR '000s

4- ESTIMATES AND JUDGMENTS

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

In preparing the interim condensed consolidated financial statements, significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2018.

5- FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2018.

Exposures and Movement in ECL

	31-Mar-2019			Total	31-Mar-2018
	Stage1	Stage2	Stage3		Total
Exposure (Carrying Value) Subject to ECL					
Due from banks and balances with central banks	18,181,868	3,623,120	-	21,804,988	19,941,969
Loans and advances to customers	64,268,480	19,900,966	5,028,293	89,197,739	98,575,924
Investment Securities (Debt)	21,097,630	654,939	-	21,752,569	19,909,190
Loan Commitments and Financial Guarantees	20,887,373	6,757,241	562,635	28,207,249	27,986,203
Opening Balance as at 1 January 2019					
Due from banks and balances with central banks	619	13,079	-	13,698	31,632
Loans and advances to customers	50,382	952,227	2,844,016	3,846,625	5,478,995
Investment Securities (Debt)	236	23,817	-	24,053	23,654
Loan Commitments and Financial Guarantees	25,711	76,308	1,953	103,972	269,339
	76,948	1,065,431	2,845,969	3,988,348	5,803,620
ECL Charge for the Period (net)					
Due from banks and balances with central banks	1,123	3,180	-	4,303	(14,238)
Loans and advances to customers	(437)	40,791	266,655	307,009	278,666
Investment Securities (Debt)	(37)	(4,625)	-	(4,662)	(4,906)
Loan Commitments and Financial Guarantees	1,413	(5,352)	17,511	13,572	33,117
	2,062	33,994	284,166	320,222	292,639
Write offs / Transfer					
Due from banks and balances with central banks	-	-	-	-	-
Loans and advances to customers	-	-	(94,091)	(94,091)	(4,764)
Investment Securities (Debt)	-	-	-	-	-
Loan Commitments and Financial Guarantees	-	-	1,936	1,936	-
	-	-	(92,155)	(92,155)	(4,764)
Exchange differences					
Due from banks and balances with central banks	(74)	-	-	(74)	-
Loans and advances to customers	7,014	(14,643)	(15,158)	(22,787)	(15,948)
Investment Securities (Debt)	-	-	-	-	-
Loan Commitments and Financial Guarantees	(4,804)	(347)	(92)	(5,243)	-
	2,136	(14,990)	(15,250)	(28,104)	(15,948)
Closing Balance as at 31 March 2019					
Due from banks and balances with central banks	1,668	16,259	-	17,927	17,394
Loans and Advances to Customers	56,959	978,375	3,001,422	4,036,756	5,736,949
Investment Securities (Debt)	199	19,192	-	19,391	18,748
Loan Commitments and Financial Guarantees	22,320	70,609	21,308	114,237	302,456
	81,146	1,084,435	3,022,730	4,188,311	6,075,547

The Commercial Bank (P.S.Q.C.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31-March-2019

QAR '000s

6- SEGMENT INFORMATION

Segment assets and liabilities comprise operating assets and liabilities which are directly handled by the operating segment and income or expenses are attributed with the assets and liabilities' ownership. The following table summarizes performance of the operating segments:

31-Mar-2019	Commercial Bank			Subsidiaries		Unallocated	Total
	Wholesale Banking	Retail Banking	Total Commercial Bank	Alternatif bank	Others		
Net interest income	322,006	182,084	504,090	92,133	1,186	(16,762)	580,647
Net fee, commission and other income	89,362	149,952	239,314	65,121	6,071	8,597	319,103
Segmental revenue	411,368	332,036	743,404	157,254	7,257	(8,165)	899,750
Net Impairment reversal on investment securities	4,662	-	4,662	-	-	-	4,662
Net impairment loss on loans and advances to customers and other financial assets	(66,082)	(97,806)	(163,888)	(61,335)	27	-	(225,196)
Segmental profit			376,488	21,992	4,274	(13,186)	389,568
Share of results of associates and a joint venture							41,503
Net profit for the year							431,071
Other information							
Assets	39,887,391	1,478,168	41,365,559	6,347,689	405,772	5,991,884	54,110,904
Loans and advances to customers	55,100,876	18,938,866	74,039,742	11,086,351	-	34,890	85,160,983
Investments in associates and a joint venture	-	-	-	-	-	-	2,127,876
Asset held for sale	-	-	-	-	-	-	2,559,591
Liabilities	33,158,797	1,094,735	34,253,532	7,447,646	167,024	627,807	42,496,009
Customer deposits	49,949,818	22,998,376	72,948,194	8,639,704	-	8,666	81,596,564
Contingent items	23,435,543	172,164	23,607,707	4,039,542	560,000	-	28,207,249

Intra-group transactions are eliminated from this segmental information (Assets: QAR 2,126 million, Liabilities: QAR 617 million).

31-Mar-2018	Commercial Bank			Subsidiaries		Unallocated	Total
	Wholesale Banking	Retail Banking	Total Commercial Bank	Alternatif bank	Others		
Net interest income	316,325	217,374	533,699	141,269	1,025	(16,760)	659,233
Net fee, commission and other income	86,003	142,349	228,352	16,344	5,049	10,208	259,953
Segmental revenue	402,328	359,723	762,051	157,613	6,074	(6,552)	919,186
Net Impairment reversal on investment securities	4,906	-	4,906	-	-	-	4,906
Net impairment loss on loans and advances to customers and other financial assets	(257,313)	53,083	(204,230)	(36,847)	310	-	(240,767)
Segmental profit			333,012	37,281	2,886	(11,872)	361,307
Share of results of associates and a joint venture							43,385
Net profit for the year							404,692
Other information							
Assets	35,450,435	1,684,574	37,135,009	6,068,217	280,719	5,525,628	49,009,573
Loans and advances to customers	-	-	78,510,745	14,102,410	30	114,608	92,727,793
Investments in associates and a joint venture	-	-	-	-	-	-	2,049,302
Asset held for sale	-	-	-	-	-	-	2,559,591
Liabilities	37,079,266	1,010,537	38,089,803	8,940,126	55,491	716,581	47,802,001
Customer deposits	-	-	69,369,376	9,901,729	-	28,469	79,299,574
Contingent items	22,668,993	369,599	23,038,592	4,386,666	560,945	-	27,986,203

Intra-group transactions are eliminated from this segmental information (Assets: QAR 2,248 million, Liabilities: QAR 348 million).

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7- LOANS AND ADVANCES TO CUSTOMERS

Loans and advances to customers comprises:	31-Mar-2019 Reviewed	31-Mar-2018 Reviewed	31-Dec-2018 Audited
Loans	81,873,360	86,906,970	80,356,664
Overdrafts	5,819,420	8,017,968	5,069,471
Bills discounted	375,899	532,102	367,098
Bankers acceptances	1,139,597	3,132,093	1,766,122
	89,208,276	98,589,133	87,559,355
Deferred profit	(10,537)	(13,209)	(11,099)
Allowance for impairment of loans and advances to customers*	(3,001,422)	(4,515,039)	(2,844,016)
ECL on loans and advances to customers	(1,035,334)	(1,333,092)	(1,002,609)
Net loans and advances to customers	85,160,983	92,727,793	83,701,631

The aggregate amount of non-performing loans and advances to customers at 31 March 2019 amounted to QAR 5,028 million which represents 5.6% of total loans and advances to customers (31 Mar 2018: QAR 5,228 million, 5.3% of total loans and advances to customers; 31 December 2018: QAR 4,891 million, 5.6% of total loans and advances to customers).

*Allowance for impairment includes QAR 630 million of interest in suspense (31 March 2018: QAR 602 million; 31 December 2018: QAR 563 million).

Net impairment losses on loans and advances to customers

	31-Mar-19 Reviewed	31-Mar-18 Reviewed
Gross allowance made during the period	335,462	291,484
Less: Recoveries during the period	(28,453)	(12,818)
	307,009	278,666
Less: Interest suspended during the period	(74,872)	(56,952)
Less: Recoveries on previously written off loans	(24,816)	-
	207,321	221,714

8- INVESTMENT SECURITIES

Investment securities comprise the following

	31-Mar-2019 Reviewed	31-Mar-2018 Reviewed	31-Dec-2018 Audited
Fair value through other comprehensive income (FVOCI)	4,684,193	5,619,107	3,992,624
Fair value through profit & loss (FVTPL)	1,044,801	1,065,166	1,099,791
Amortised cost (AC)	17,139,644	13,526,953	17,015,392
Total	22,868,638	20,211,226	22,107,807

The carrying value of investment securities pledged under Repurchase agreements (REPO) is QAR 6,248 million (31 March 2018: QAR 10,737 million; 31 December 2018: QAR 7,656 million).

Expected Credit losses of debt securities measured at FVOCI and AC is amounted to QAR 19.39 million at 31 March 2019 (31 March 2018: QAR 18.75 million and 31 December 2018: QAR 24.05 million).

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9- INVESTMENT IN ASSOCIATES AND A JOINT VENTURE

The Group's investment in associates and a joint venture are as follows:

Name of the Entity	Classification	Country	Activities	Carrying Value and % of interest held						Price per share (QAR)
				31-Mar-2019		31-Mar-2018		31-Dec-2018		
				Reviewed	%	Reviewed	%	Audited	%	
National Bank of Oman SAOG ('NBO')	Associate	Oman	Banking	2,119,226	34.9%	2,038,649	34.9%	2,083,707	34.9%	1.66
United Arab Bank PJSC ('UAB')*	Associate	UAE	Banking	-	40.0%	-	40.0%	-	40.0%	1.18
Massoun Insurance Services L.L.C	Joint venture	Qatar	Insurance brokerage	8,650	50.0%	10,653	50.0%	12,603	50.0%	Not listed
TOTAL				2,127,876		2,049,302		2,096,310		

* Refer to note 10

10- ASSET HELD FOR SALE

The Group had granted a third party purchaser (the "Purchaser") an exclusivity during which the parties were negotiating the terms of a potential sale to the Purchaser, subject to the satisfaction of certain conditions, of its investment in UAB. Discussions for the sale of Group's stake in UAB have concluded with both parties unable to reach an agreement. The Group's strategy in regards to UAB remains unchanged.

11- DUE TO BANKS

	31-Mar-2019	31-Mar-2018	31-Dec-2018
	Reviewed	Reviewed	Audited
Balances due to central banks	1,231,201	5,159,320	561,311
Current accounts	386,812	1,057,146	323,873
Placement with banks	5,437,895	4,865,734	6,773,721
Repurchase agreements with banks	4,975,575	5,728,155	6,161,638
Total	12,031,483	16,810,355	13,820,543

12- CUSTOMER DEPOSITS

	31-Mar-2019	31-Mar-2018	31-Dec-2018
	Reviewed	Reviewed	Audited
Current and call deposits	19,591,024	17,774,824	16,310,290
Saving deposits	4,757,489	4,613,984	4,389,075
Time deposits	57,248,051	56,910,766	50,622,085
Total	81,596,564	79,299,574	71,321,450

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13- DEBT SECURITIES

	31-Mar-2019 Reviewed	31-Mar-2018 Reviewed	31-Dec-2018 Audited
EMTN Unsecured Programme – Senior Unsecured Notes	7,944,365	5,546,089	7,809,032
Senior Notes	3,223,053	2,742,473	2,888,175
Subordinated Notes	3,460,516	3,440,012	3,441,222
Others	2,801,870	1,551,609	1,860,110
Total	<u>17,429,804</u>	<u>13,280,183</u>	<u>15,998,539</u>

The table below shows the maturity profile of debt securities:

	31-Mar-2019 Reviewed	31-Mar-2018 Reviewed	31-Dec-2018 Audited
Up to 1 year	9,184,268	2,222,800	7,885,098
Between 1 and 3 years	4,666,049	7,082,819	4,679,586
Over 3 years	3,579,487	3,974,564	3,433,855
Total	<u>17,429,804</u>	<u>13,280,183</u>	<u>15,998,539</u>

14- OTHER BORROWINGS

	31-Mar-2019 Reviewed	31-Mar-2018 Reviewed	31-Dec-2018 Audited
Bilateral loans	2,628,041	3,262,952	-
Syndicate loans	4,249,145	5,986,981	4,848,032
Others	722,169	1,141,597	3,453,796
Total	<u>7,599,355</u>	<u>10,391,530</u>	<u>8,301,828</u>

The table below shows the maturity profile of other borrowings:

	31-Mar-2019 Reviewed	31-Mar-2018 Reviewed	31-Dec-2018 Audited
Up to 1 year	3,687,066	7,116,588	3,474,304
Between 1 and 3 years	3,368,468	2,073,669	4,093,799
Over 3 years	543,821	1,201,273	733,725
Total	<u>7,599,355</u>	<u>10,391,530</u>	<u>8,301,828</u>

15- SHARE CAPITAL

	31-Mar-2019 Reviewed	31-Mar-2018 Reviewed	31-Dec-2018 Audited
Authorised number of ordinary shares	404,725,376	404,725,376	404,725,376
Nominal value of ordinary shares (QAR 10 each)	4,047,254	4,047,254	4,047,254
Issued and paid up capital (in thousands of Qatar Riyals)	<u>4,047,254</u>	<u>4,047,254</u>	<u>4,047,254</u>

On 20 March 2019, the Extraordinary General Meeting of the Bank approved the par value of the ordinary share to be QAR 1 instead of QAR 10, as per the instructions of Qatar Financial Markets Authority, and amendment of the related Articles of Association. The share split has not yet been implemented pending completion of certain legal formalities, as at the end of the reporting period.

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16- DIVIDEND

A cash dividend of 15% for the year 2018 (2017: 10% cash dividend), was approved at the Annual General Assembly held on 20 March 2019 and distributed to shareholders.

17- EARNINGS PER SHARE

Earnings per share of the Group is calculated by dividing profit for the period attributable to the equity holders of the Bank by the weighted average number of ordinary shares in issue during the period:

	Three months ended	
	31-Mar-2019 Reviewed	31-Mar-2018 Reviewed
Basic and diluted		
Profit attributable to the equity holders of the bank	431,071	404,691
Weighted average number of outstanding ordinary shares in thousands	404,725	404,725
Basic/diluted earnings per share (QAR)	1.07	1.00

18- CONTINGENT LIABILITIES AND OTHER COMMITMENTS

a- Contingent liabilities

	31-Mar-2019 Reviewed	31-Mar-2018 Reviewed	31-Dec-2018 Audited
Unused credit facilities	4,431,860	4,527,907	4,373,836
Guarantees	21,470,276	20,751,284	22,057,901
Letters of credit	2,305,113	2,707,012	2,148,781
Total	28,207,249	27,986,203	28,580,518

b- Other commitments

	31-Mar-2019 Reviewed	31-Mar-2018 Reviewed	31-Dec-2018 Audited
Derivative financial instruments	47,029,868	57,882,374	55,159,143
Capital commitments	155,357	144,574	157,569
Total	47,185,225	58,026,948	55,316,712

19- CASH AND CASH EQUIVALENTS

	31-Mar-2019 Reviewed	31-Mar-2018 Reviewed	31-Dec-2018 Audited
Cash and balances with central banks *	3,917,914	3,799,954	3,184,658
Due from banks up to 90 days	10,713,238	10,668,978	6,799,888
	14,631,152	14,468,932	9,984,546

* Cash and balances with central banks exclude the mandatory cash reserve.

20- VALUATION OF FINANCIAL INSTRUMENTS

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

31-Mar-2019-Reviewed	Level 1	Level 2	Level 3	Carrying amount
Derivative assets	-	342,075	-	342,075
Investment securities	753,927	4,858,441	116,626	5,728,994
	753,927	5,200,516	116,626	6,071,069
Derivative liabilities	-	326,011	-	326,011
	-	326,011	-	326,011
31-Dec-2018-Audited	Level 1	Level 2	Level 3	Carrying amount
Derivative assets	-	371,716	-	371,716
Investment securities	35,825	4,891,639	164,951	5,092,415
	35,825	5,263,355	164,951	5,464,131
Derivative liabilities	-	353,499	-	353,499
	-	353,499	-	353,499

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21- RELATED PARTY DISCLOSURE

The Group carries out various transactions with subsidiaries, associates and joint venture companies, members of the Board of Directors, the executive management or companies in which they have significant interest or any other parties of important influence in the Group's financial or operating decisions. The balances at the reporting date with these accounts were as follows:

	31-Mar-2019 Reviewed	31-Mar-2018 Reviewed	31-Dec-2018 Audited
Board members of the Bank			
Loans, advances and financing activities (a)	1,592,356	1,584,072	1,604,135
Deposits	767,924	668,893	729,255
Contingent liabilities and other commitments	13,205	23,375	13,307
Interest and fee income received	9,750	12,882	36,683
Interest paid on deposits accounts of board members	7,019	8,438	12,017
Remuneration	-	-	18,500
Associates and joint venture companies			
Due to banks	123,050	12,208	436,800
Due from banks	163,800	91,000	24,333
Deposits	14,413	14,963	14,602
Contingent liabilities	775,009	771,129	782,138
Interest earned from Associates	-	-	26
Interest paid to Associates	606	551	2,271
Senior management of the bank			
Remuneration and other benefits	10,178	12,288	46,710
Loans and advances	5,670	4,496	4,636

(a) A significant portion of the loans, advances and financing activities' balance at 31 March 2019 with the members of the Board and the companies in which they have significant influence, are secured against tangible collateral or personal guarantees. Moreover, the loans, advances and financing activities' are performing satisfactorily honoring all obligations.