

THE COMMERCIAL BANK (P.S.Q.C.)
Investor Presentation
November 2019

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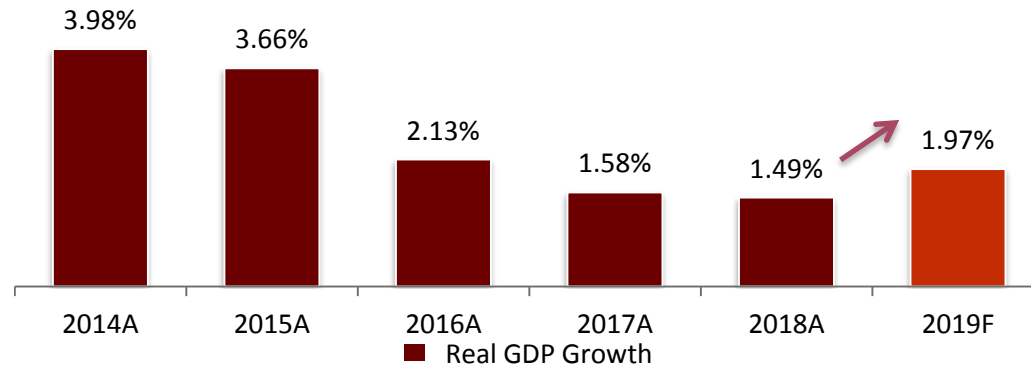
- **QATAR IN PERSPECTIVE**
- **COMMERCIAL BANK: SUMMARY HIGHLIGHTS**
- **CONSOLIDATED FINANCIAL HIGHLIGHTS & PERFORMANCE**
- **STANDALONE FINANCIAL PERFORMANCES**
- **APPENDIX**



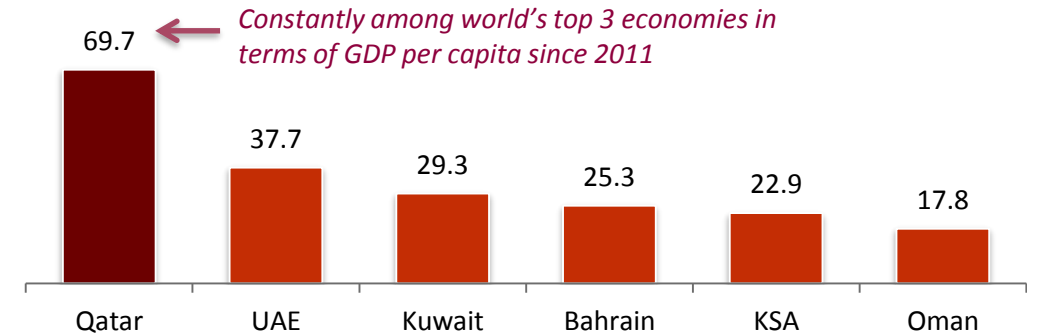
Qatar in Perspective – A Resilient and Well Diversified Economy...

Sovereign Rating: Aa3/ AA- / AA- (Moody's/ S&P/ Fitch)

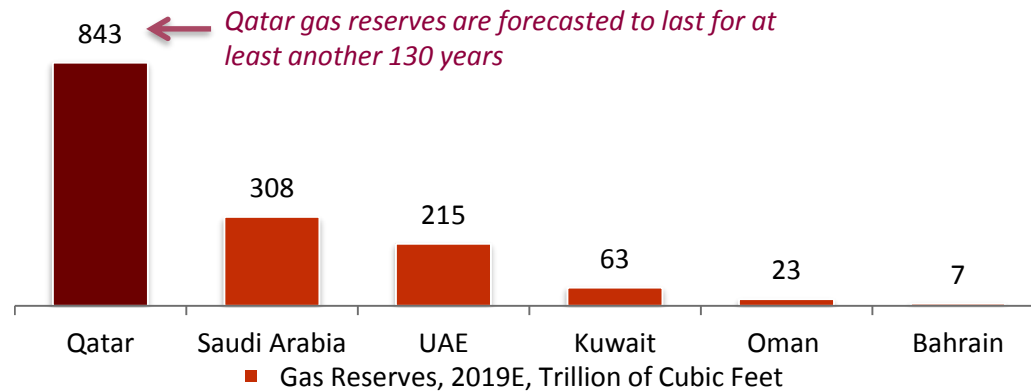
Attractive Economic Growth



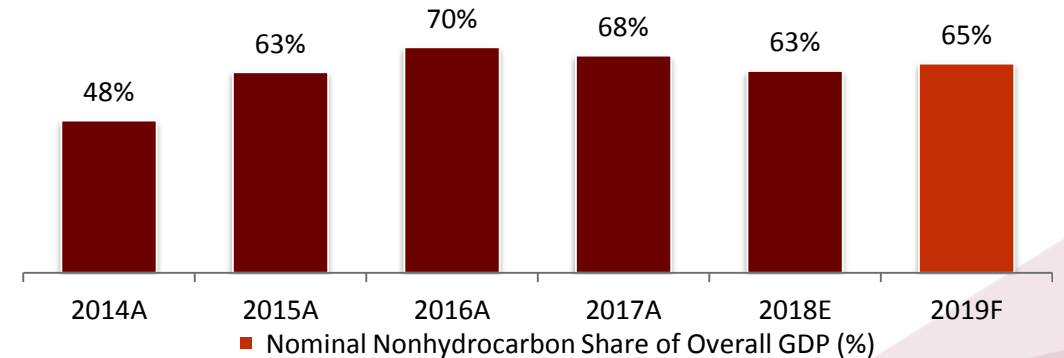
High GDP per Capita (2019F GDP per Capita, US\$ '000)



Deep Natural Resources



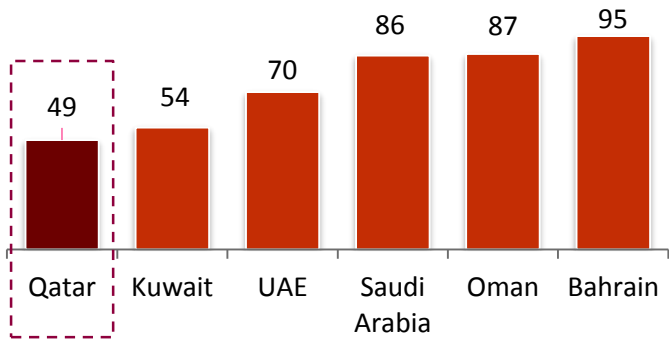
Well Diversified Economy, Set for Further Improvement



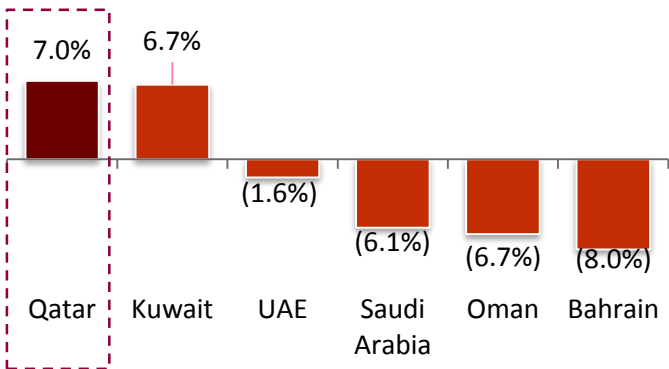
Source: International Monetary Fund, Qatar Country Report; Oxford Economics; EIA (US Energy Information Administration).

...With a Stable Business Environment, Supportive of Foreign Investments

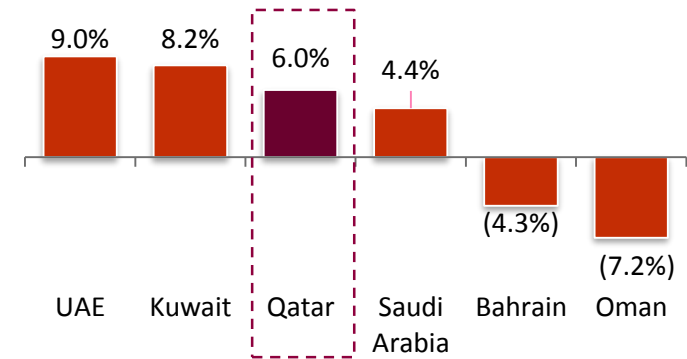
Fiscal Breakeven Oil Price (US\$) – 2019E



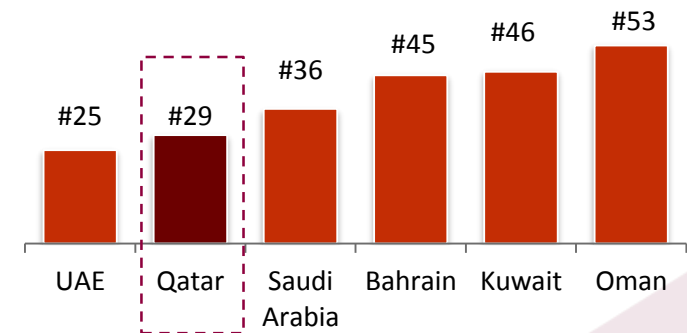
General Government Fiscal Balance (% of GDP) – 2019F



Current Account Balance (% of GDP) – 2019F



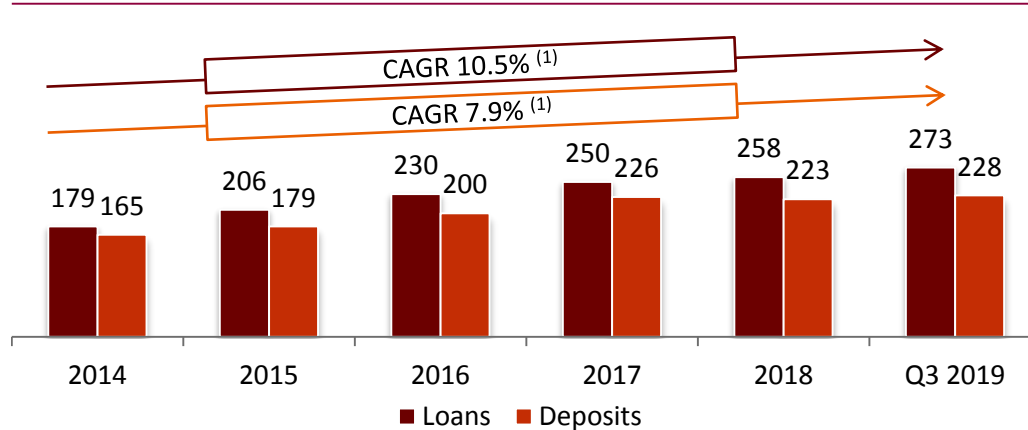
Highly Competitive Business-friendly Framework (2017-2018 Global Competitiveness Report)



Source: International Monetary Fund, Regional Economic Outlook: Middle East and Central Asia Update; World Economic Forum, The Global Competitiveness Report.

Qatar Has a Robustly Regulated Banking Sector Benefitting from a Strong Government Support

Loan Book & Customer Deposit Growth (\$bn)



Qatari Banks Enjoy Strong Government Support

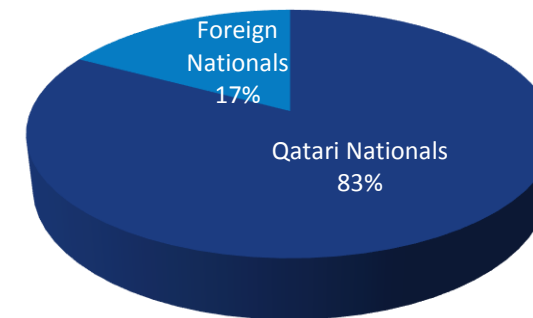
% Owned by Qatar Investment Authority and Government related vehicles



Strong Prudential Regulatory Framework

Capital	Minimum Basel III CAR 14.00% ⁽²⁾
Liquidity	QCB reserve requirement 4.75% of total deposits
Financing	<ul style="list-style-type: none"> Max. financing to deposits ratio 100% Financing to real estate limit: 150% of shareholder's equity and Tier 1 capital
Ownership	Permitted foreigner ownership up to 49% in listed banks
Provisioning	Risk reserves to be maintained at 2.5% of net loans and advances in addition to ECL per IFRS 9

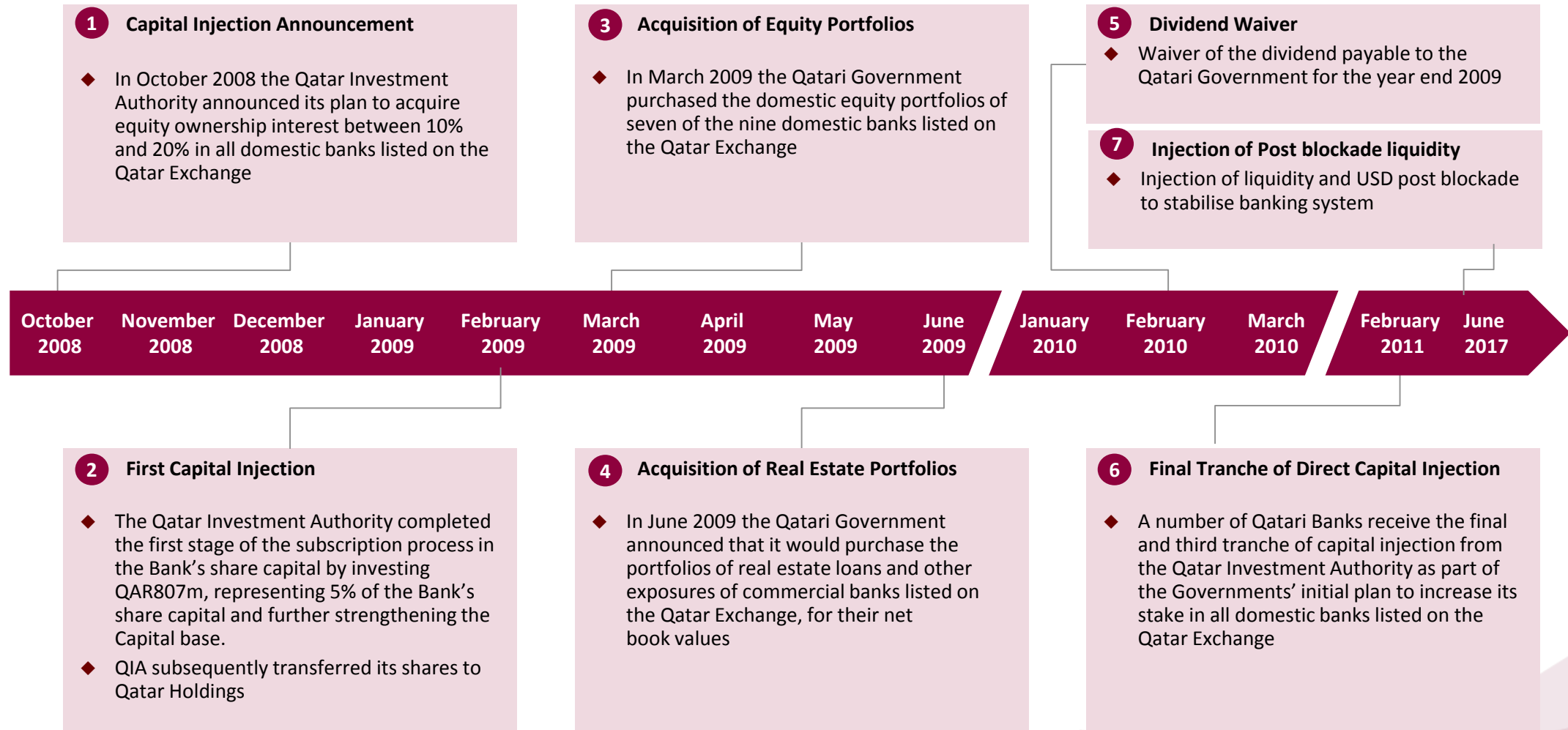
Commercial Bank share holding profile



Source: Qatar Central Bank, Qatar Exchange and Bloomberg.

1. CAGR calculated from 31 December 2014 to 30 September 2019
2. 14.00% includes an ICAAP buffer of 1%.

Historical Government Support for the Banking Sector



New initiatives announced

- ◆ North field expansion project. This will increase Qatar's LNG capacity from 77 million tons/year to 110 million tons/year.
- ◆ With the expansion, LNG will be made available to downstream industries.
- ◆ 100% foreign ownership through Manateq free zone.
- ◆ Qatar has announced a project for the biggest cracker complex.
- ◆ Expansion of Hamad international airport.
- ◆ Creating Qatar as a tourism hub with visa on arrival for more than 80 countries and creating a 2nd cruise terminal.
- ◆ Permanent Residency to expats.
- ◆ In addition, QIA and QCB continue to have healthy reserves.



Direct Trade Flows Consequences for Qatar

- ◆ Total exports from Bahrain, Egypt, Saudi Arabia and the United Arab Emirates to Qatar accounted for only c.0.1% of Qatar's GDP in 2018
- ◆ Imports from the four countries are also small, accounting for c.0.7% of Qatar's GDP in 2018. Qatar's main export destinations are in Asia

Country	2018 Exports to Qatar (% GDP)	2018 Imports from Qatar (% GDP)
Saudi Arabia	0.0%	0.0%
United Arab Emirates	0.1%	0.4%
Bahrain	0.0%	0.1%
Egypt	0.0%	0.3%
Total	0.1%	0.7%

- ◆ Qatar shifted all imports via shipping channels from the Dubai port to Sohar & Sallalah Ports in Oman
- ◆ Some consumer goods were rapidly substituted by products from Turkey and other countries
- ◆ Most of Qatar Airways flights continue to operate normally, with diversions made where necessary

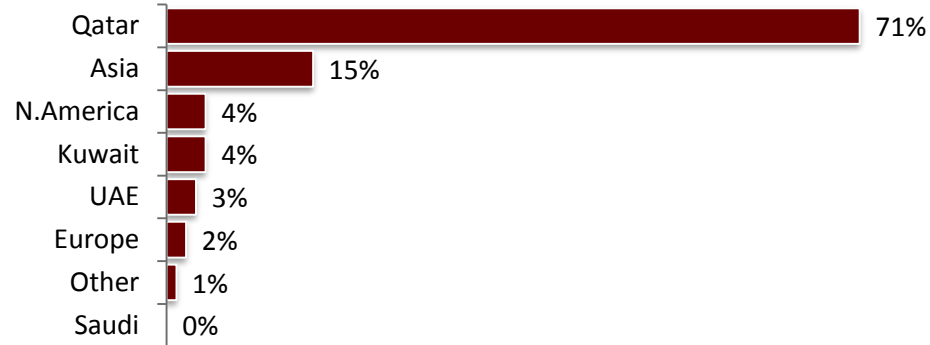


Source: Euromonitor, July 2019.

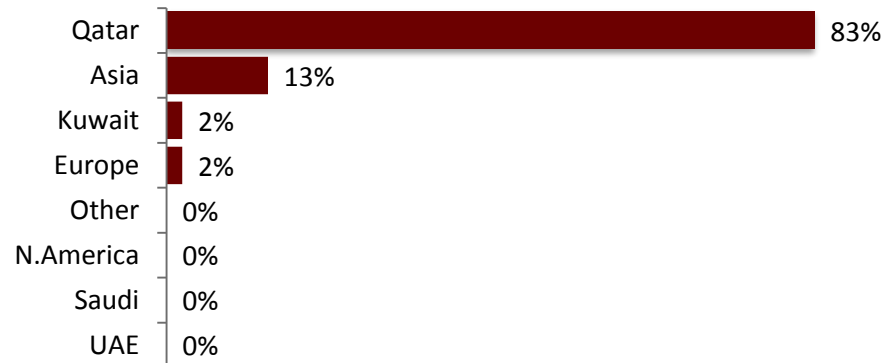
Liquidity Management – Commercial Bank (Domestic): Limited exposure to impacted GCC countries while liquidity levels remain adequate

Commercial Bank deposits by Geography

Pre Embargo



Post Embargo



Exposures to “impacted GCC” countries QAR(m)	Dec 17	Dec 18	Sep 19
Customer Deposits	21	288	341
Interbank takings	1,219	662	350
As % of Total Funding	1.3%	1.0%	0.7%

Financial Indicators	Dec 17	Dec 18	Sep 19
% of resident deposits	85%	81%	83%
% of non resident deposits	15%	19%	17%



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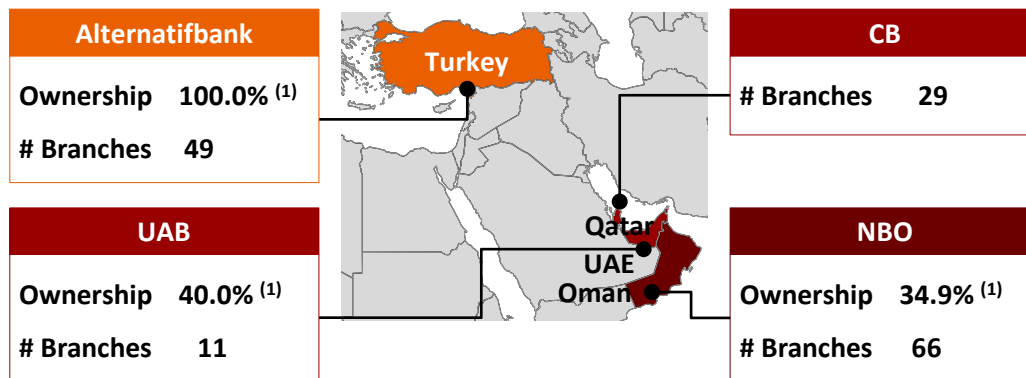


Commercial Bank Group Overview

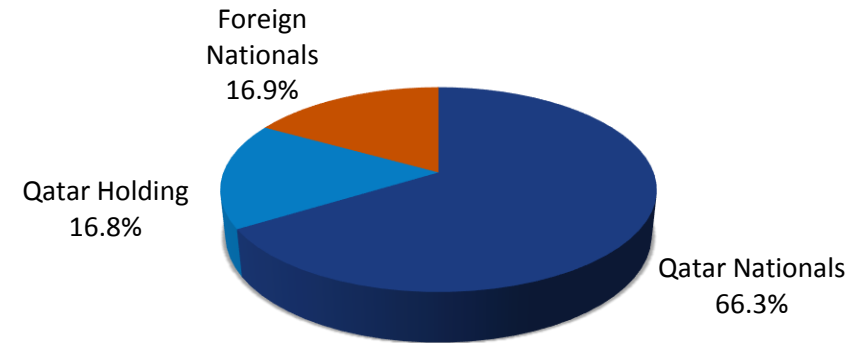
The Commercial Bank Q.S.C. ("CB")

- ◆ Established in 1975, CB is Qatar's 2nd largest conventional bank by assets, net loans, customers' deposits and total equity
- ◆ Enjoys a 7.9%⁽¹⁾ market share of loans and 7.7%⁽¹⁾ market share of deposits in Qatar
- ◆ Operates a network of 29 branches in Qatar and is present in Turkey, Oman and UAE through its subsidiaries and associates Alternatifbank, National Bank of Oman ("NBO") and United Arab Bank ("UAB")
- ◆ Strong capitalization with Basel III capital adequacy ratio of 16.2%⁽¹⁾
- ◆ Focus on **sustainable controlled growth** in its core business, proactive management of risk, liquidity and capital and continuing improvement in the quality of its service to customers
- ◆ In the long term, expansion strategy is a blend of strong organic growth in Qatar and international expansion through banking alliances

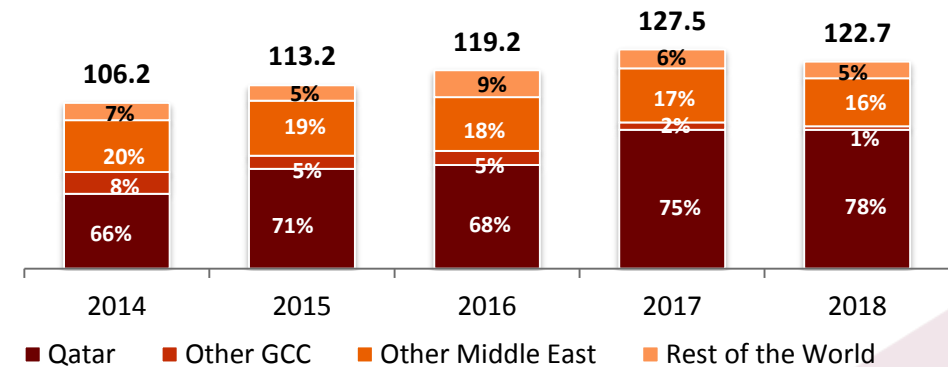
A Diversified Geographical Footprint...



Strong and Supportive Shareholding Structure⁽¹⁾



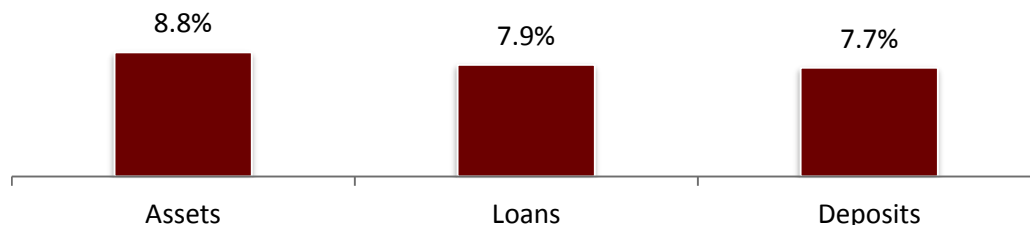
...That Has Been Evolving Overtime – Financial Assets (QAR billion)



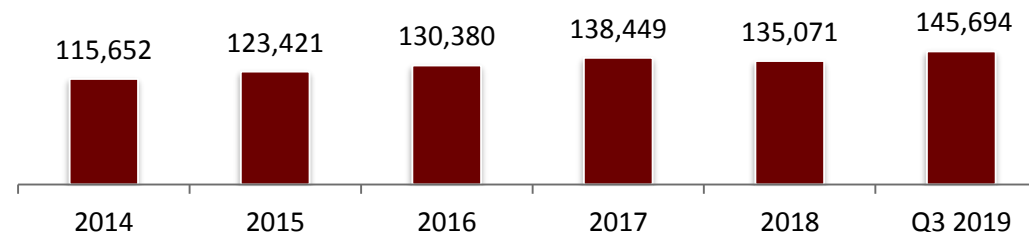
1. As of September 2019

Commercial Bank is the Second Largest Conventional Bank in Qatar by Assets, Net Loans, Customers' Deposits and Total Equity

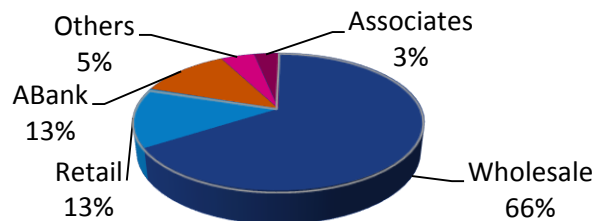
Leading Market Shares in Qatar ⁽¹⁾



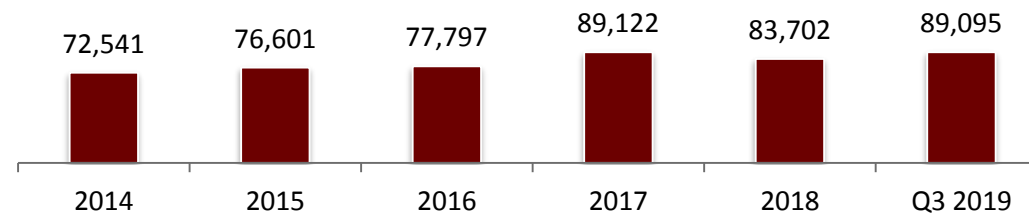
Total Assets (QAR million)



Total Assets Breakdown by Operating Segment (Q3 2019)



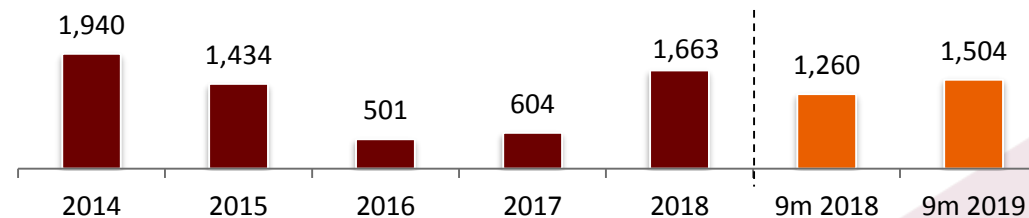
Loans and Advances to Customers (QAR million)



Commercial Bank Credit Ratings – outlook revised to stable by all rating agencies, in line with revised upgrade in outlook for Qatar

Rating Agency	Foreign Currency Bank Deposits/IDR		Outlook	Date
	LT	ST		
Moody's	A3	Prime 2	Stable	Jul 19
S&P	BBB+	A-2	Stable	Jun 19
Fitch	A	F1	Stable	Mar 19

Net Profit (QAR million)



1. Standalone Qatar Operations, market shares based on Qatar's Market size from Qatar Central Bank as of 30 September 2019.

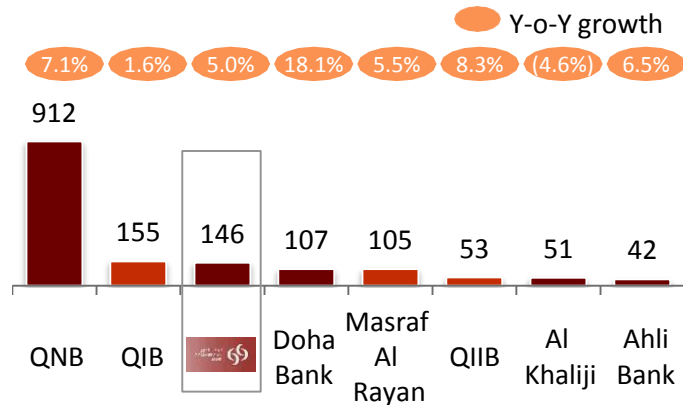
Key Strengths & Competitive Advantages

Strong Domestic Franchise; Leading Market Position	<ul style="list-style-type: none">◆ 2nd largest conventional bank in Qatar by assets, net loans, customers' deposits and total equity, in operation since 1975◆ Strong corporate relationships across public and private sectors◆ Proven strength in retail banking, leading credit card provider◆ GDR Issue (first by Qatari bank), US\$5.0 bn EMTN programme in place
Experienced Management with Proven Track Record	<ul style="list-style-type: none">◆ Committed and experienced senior management team<ul style="list-style-type: none">◆ Prominent, influential and stable Board of Directors◆ Senior managers have significant banking (domestic and international) experience
Shareholder Support	<ul style="list-style-type: none">◆ Systemic importance to the Qatari banking sector given the Bank's scale◆ Qatar's Government holds a 16.8% in Commercial Bank through Qatar Holding and a further 10% through funds and other entities
Strong Financial Profile	<ul style="list-style-type: none">◆ High earnings potential◆ Sustainable growth in core loan portfolio with good asset quality◆ Diversified revenue base; expansion outside Qatar to increase diversification◆ Strong capitalization
Diversified Footprint	<ul style="list-style-type: none">◆ Operates branches in Qatar and is present in Turkey, Oman and UAE through its subsidiaries and associates AlternatifBank ("ABank"), National Bank of Oman ("NBO") and United Arab Bank ("UAB")
Developed 5 year strategy to transform banks performance	<ul style="list-style-type: none">◆ New 5 year strategic plan commenced and announced to the investor community in Nov 2016. Focus points include improving CET1 capital, reshaping the loan portfolio to improve asset quality, aligning the cost to income ratio with market peers by stream lining the branch network and operations.

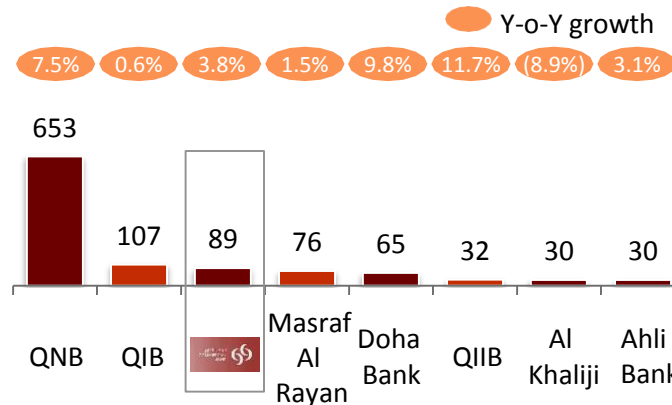


Qatar Bank Snapshot

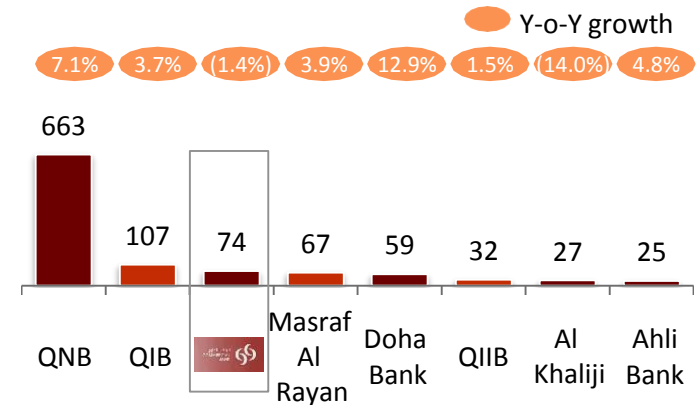
Total Assets (QAR billion, Q3 2019)



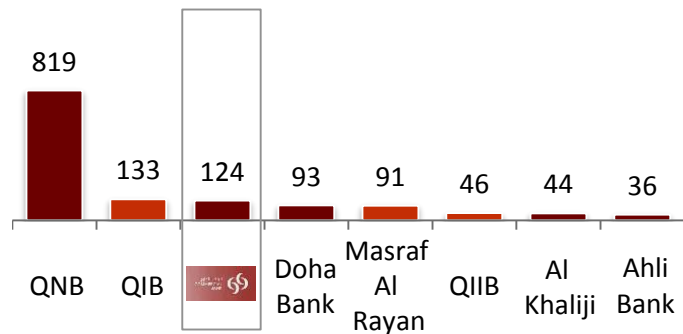
Net Loans (QAR billion, Q3 2019)



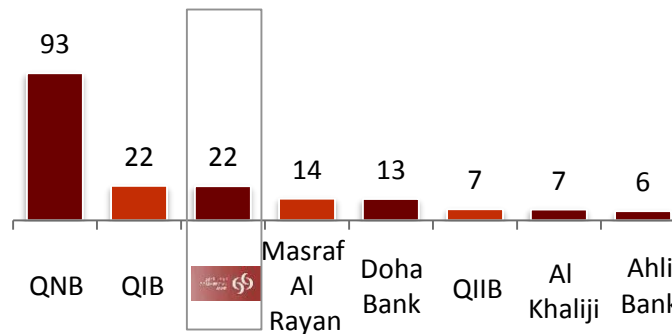
Customers' Deposit⁽¹⁾ (QAR billion, Q3 2019)



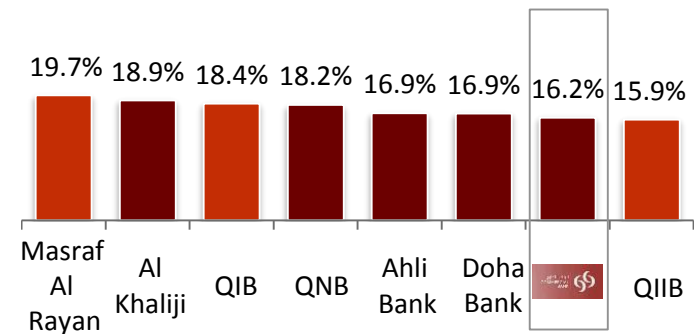
Total Liabilities (QAR billion, Q3 2019)



Total Equity (QAR billion, Q3 2019)



Total CAR Ratio (Q3 2019)



■ Conventional Bank ■ Islamic Bank

In Qatar, Islamic and conventional banking operations have to be segregated



Source: Companies' financial statements.

1. Islamic Banks' deposits calculated as Customer's Current Accounts plus Equity of Investment Account Holders.

Strategic intent

- 1 **Maintain a minimum CET1 range of 11.0% to 11.5%**
- 2 **De-risk legacy assets, diversify the portfolio and proactively exit high risk names**
- 3 **Reshape and diversify our loan book**
- 4 **Costs broadly held flat until CB moves back into alignment with the market average**
- 5 **Focus on client experience as a key differentiator**
- 6 **Deepen our digital leadership through end-to-end process automation**
- 7 **'One Team – One Bank' culture**
- 8 **Market leader for compliance and good governance**
- 9 **A region-wide 'Alliance of banks' with closer integration of risk protocols and business strategy for sustainable earnings**



Executive summary

Strategic Focus

Progress

✓ Results

- Net profit growth of QAR 19.4% to QAR 1,504m for 9 months ended 30 September 2019 compared to same period in 2018. Results were driven mainly by an increase in operating income and lower costs.
- Net operating profit increased by 14.6% to QAR 2,029m. ROAE increased to 9.4% in 9 months 30 September 2019, from 8.2% in same period in 2018.
- Best Cash Management Bank in Qatar for the third year in a row from “The Asian Banker”
- Best Transaction Banking service in Qatar from “The Asian Banker”
- Commercial Bank won the Asian Banker’s ‘Best Retail Bank in Qatar’ award for the third year in a row
- ‘Financial Technology Innovation Award 2019’ for the 60 Seconds Online Remittance service
- Best Corporate Governance in Qatar 2019 award by World Finance.

✓ Capital & Funding

- CET1 and Total Capital Ratios increased to 11.0% and 16.2% respectively as compared to 9.7% and 14.6% at 30 September 2018.
- Total consolidated deposits increased by QAR 2.5bn, up 3.5% at 30 September 2019 vs December 2018

✓ Reshaping Loan Book

- Consolidated loan book at QAR 89.1bn in Sept 2019, up 5.2% v December 2018.
- Focus remains on re-shaping profile of the lending book, by diversifying risk across a range of sectors including decreasing real estate exposure and increasing exposure to government and public sector. Government sector has increased by 4%, real estate and contracting sectors were down by 4% and 3% respectively as compared to Sept 2018

✓ Provisioning

- NPL ratio reduced to 4.9% in Sept 19 compared to 5.5% in Sept 2018 due to cash recovery /settlement. Consequently, the loan coverage ratio (including ECL) increased to 95.2% as compared to 83.6% in Q3 2018.
- Cost of Risk reduced to 90bps in Sept 2019 compared with 107bps in 2018.

✓ Costs

- Consolidated Cost to Income ratio reduced from 33.5% to 28.9% and in Qatar from 28.8% in 9m 2018 to 25.7% in 9m 2019 led by digitisation, automation, productivity enhancements and operating income.
- Operating expenses reduced by QAR 68.3m (7.7%) vs 9m 2018. This was mainly within the Qatar domestic business where costs reduced by QAR 46m (6.8%) vs 9m 2018.

✓ Subsidiaries & Associates

- Alternatif bank reported net profit of TL 170m (QAR 109m) for 9m 2019 compared to TL 92m (QAR 75m) in 9m 2018.
- NBO reported flat net profit of OMR 38.3m (CB’s share QAR 126.3m) as compared to 9m 2018.
- UAB continues to be an asset held for sale in Sept 2019.



Progress against our 5-year plan : Net profit further increases quarter on quarter

	CB Consolidated							YTD Sept 2019	YTD Sept 2018	Var.: YTD 2019 vs YTD 2018	Var.: Q3 2019 vs Q2 2019	Var.: Q3 2019 vs Q3 2018
	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019					
Operating Income	919	914	831	845	900	947	1,006	2,853	2,663	7.1%	6.3%	21.1%
Costs	311	309	272	281	278	274	272	824	892	7.6%	0.4%	(0.2%)
Operating Profit	608	604	559	564	622	673	734	2029	1,771	14.6%	9.0%	31.3%
Provisions	236	200	195	205	221	208	197	625	630	0.9%	5.3%	(1.0%)
Share of Associates	43	43	42	42	42	43	43	128	129	(0.5%)	0.3%	2.8%
Tax	11	(2)	2	(2)	12	6	11	28	10	(189.6%)	(87.0%)	(539.8%)
Net Profit	405	450	405	404	431	503	570	1,504	1,260	19.4%	13.3%	40.9%
Lending Volume	92,789	87,195	85,815	84,642	85,161	84,834	89,095	89,095	85,815	3.8%	5.0%	3.8%
Deposit Volume	79,306	75,116	75,323	71,786	81,597	76,901	74,294	74,294	75,323	(1.4%)	(3.4%)	(1.4%)
NIM	2.3%	2.3%	2.0%	2.1%	2.0%	2.2%	2.4%	2.3%	2.2%	0.1%	0.2%	0.5%
C/I Ratio	33.9%	33.8%	32.7%	33.2%	30.9%	28.9%	27.1%	28.9%	33.5%	4.6%	1.8%	5.7%
NPL Ratio	5.3%	5.4%	5.5%	5.6%	5.6%	4.9%	4.9%	4.9%	5.5%	0.6%	-	0.6%
Coverage Ratio	86.4%	84.2%	83.6%	78.9%	80.3%	97.0%	95.2%	95.2%	83.6%	11.6%	(1.8%)	11.6%
CET 1	9.3%	9.7%	9.7%	10.5%	10.9%	11.0%	11.0%	11.0%	9.7%	1.3%	-	1.3%
CAR	14.7%	14.5%	14.6%	15.5%	16.1%	16.3%	16.2%	16.2%	14.6%	1.6%	(0.1%)	1.6%
ROAE	8.0%	9.2%	8.1%	7.8%	8.5%	9.8%	10.6%	9.4%	8.2%	1.3%	0.7%	2.5%
ROAA	1.1%	1.2%	1.1%	1.2%	1.2%	1.4%	1.6%	1.4%	1.2%	0.2%	0.2%	0.4%
CoR (bps)	104	88	89	95	103	99	71	90	96	(5)	28	18



Group Financial Performance – Nine months ended 30 September 2019

Group Profitability

QAR Million	9m 2019	9m 2018	%
Net interest income	1,939	1,908	1.6%
Non-interest income	914	755	21.1%
Total costs	824	892	-7.7%
Net provisions	625	630	-0.9%
Associates income	128	129	-0.5%
Net profit after tax	1,504	1,260	19.4%

Consolidated Balance Sheet

QAR Million	9m 2019	9m 2018	%
Total assets	145,694	138,695	5.0%
Loan & advances	89,095	85,815	3.8%
Investment Securities	27,034	21,653	24.8%
Customers' deposits	74,294	75,323	-1.4%
Total equity	21,536	19,708	9.3%

Performance Ratios

	9m 2019	9m 2018
ROAE	9.4%	8.2%
ROAA	1.4%	1.2%
NIM	2.3%	2.2%

Capital

QAR Million	9m 2019	9m 2018
RWA (QAR million)	116,842	118,169
CET 1 ratio (Basel III)	11.0%	9.7%
Total Capital ratio (Basel III)	16.2%	14.6%



New award wins in 2019 validate our strategy



1. **“Best Retail Bank in Qatar”** for the third year in a row
2. **“Financial Technology Innovation Award 2019”** for the 60 Seconds Online Remittance service
3. **“Best Cash Management Bank in Qatar”** for the third year in a row
4. **“Best Transaction Banking service in Qatar”** for the first time
5. **“Best Corporate Governance in Qatar”** from World Finance for the first time



Validates investment in our franchise

Validates CBIS’ in-house capabilities:

- We can develop truly world-class technology
- That beats major international banks
- Roll out in a short time frame

**THE ASIAN BANKER®
MIDDLE EAST & AFRICA AWARD**



CB bond and share price

CB USD REG S Bond Price & Yield Chart (Nov 2018 to Oct 2019)

AS577205 Corp (COMQAT 5 05/24/23)
AS577205 Corp (COMQAT 5 05/24/23)

Bloomberg

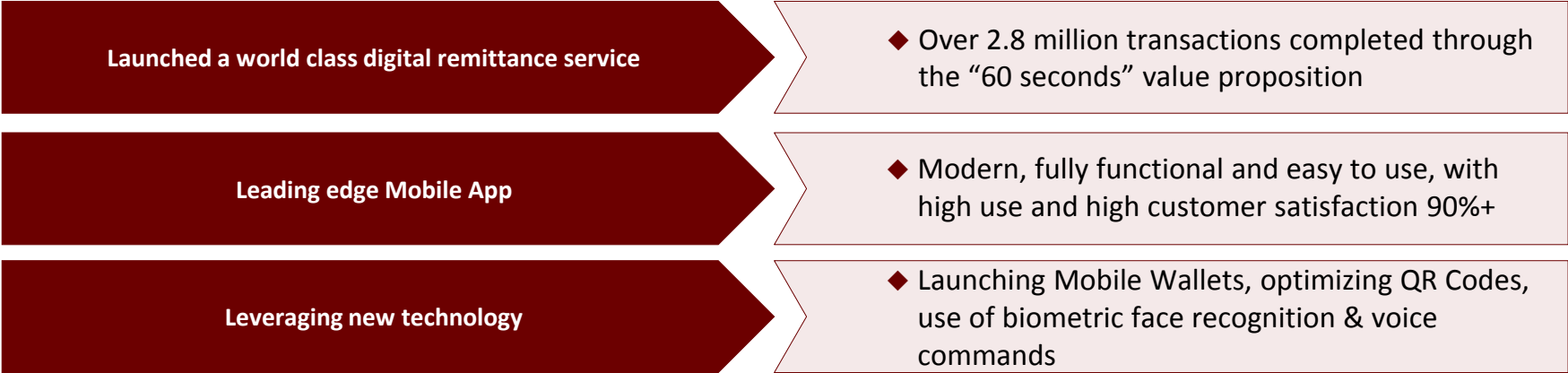


The above is for COMQAT 5 05/24/23 Corp as the CHF-denominated bonds are relatively less liquid.

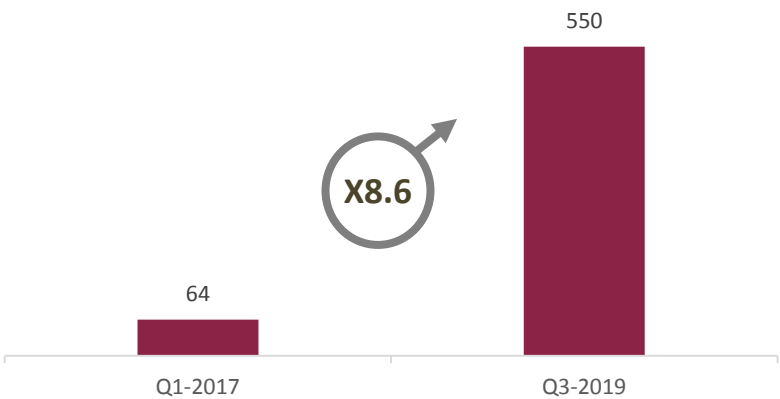
Commercial Bank share price



Leadership Position in Digital Banking



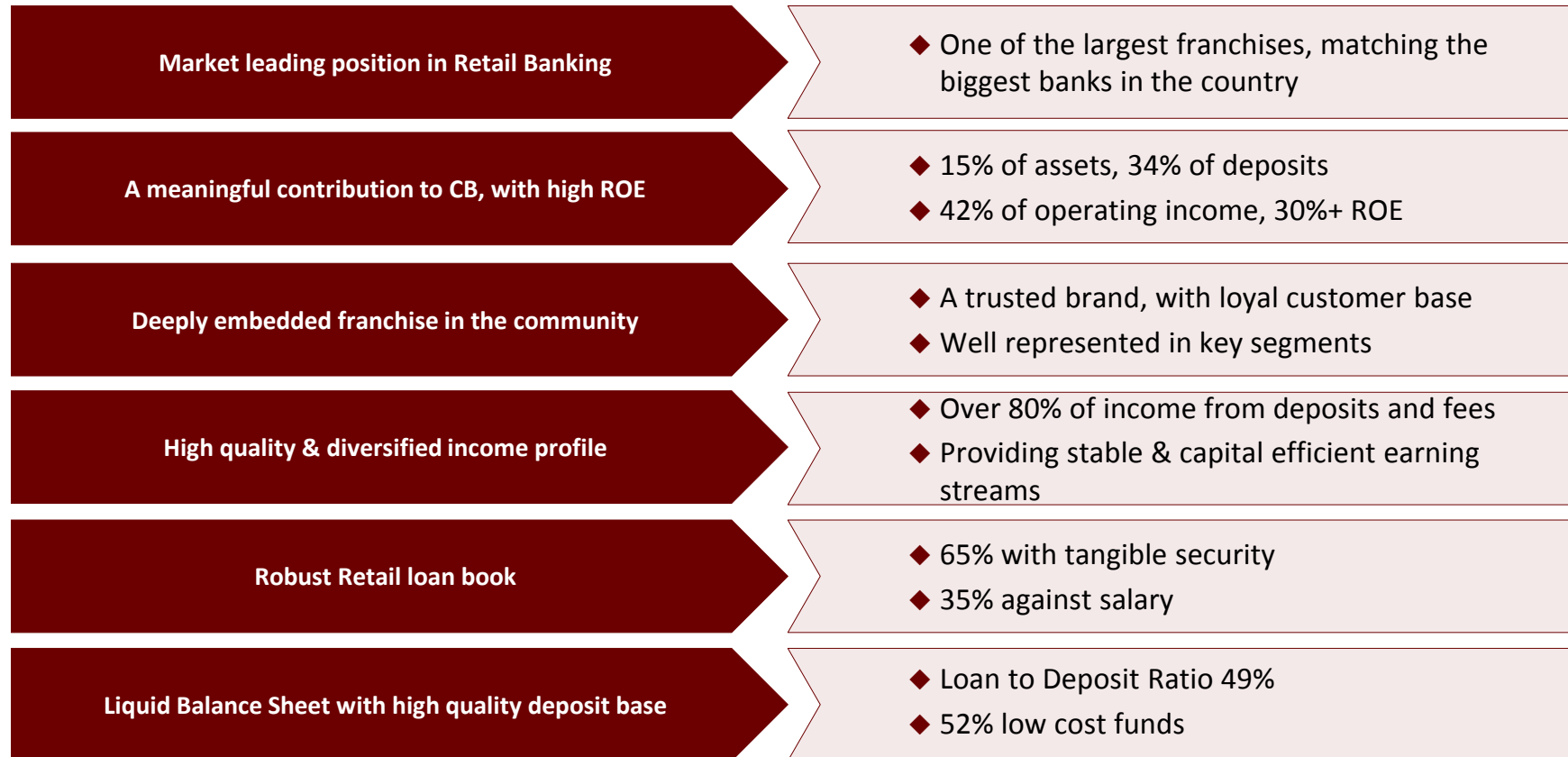
International Remittances (Volume 000s - All Currencies)



**The No.1
Financial App
in Qatar**



A strong and diverse retail business

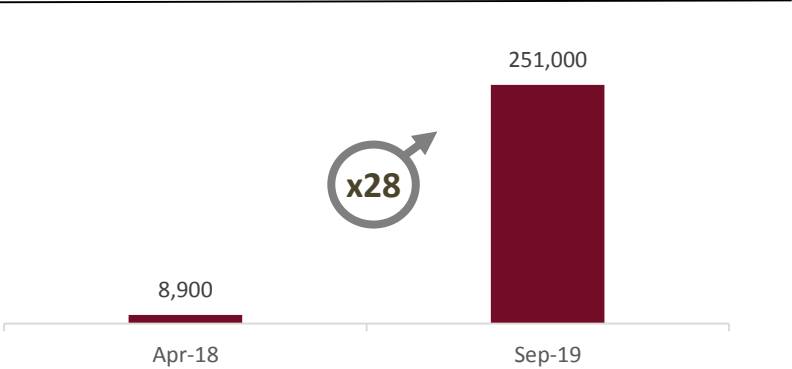


Dominating cards

Market leader in Qatar for cards and payments.	<ul style="list-style-type: none">◆ 1.1 Mn+ cards, total spend \$3.3 Billion p.a.◆ Growing faster than market average
Dominant Player in Acquiring Business in Qatar	<ul style="list-style-type: none">◆ 8,800 merchants, 13,600 POS◆ 50%+ Market Share (non government)
Transforming the payment eco-system in Qatar, complementing Qatar's payment systems vision	<ul style="list-style-type: none">◆ 2.2Mn+ contactless transactions and 500k+ cards◆ Unique ability to lead change



Growth in Contactless Transactions



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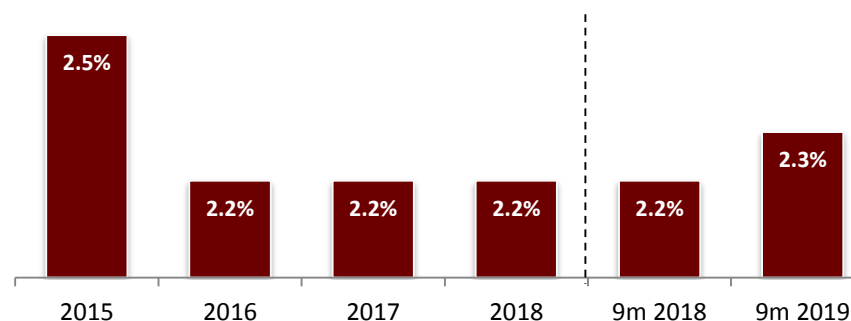
Earnings Performance – Nine months ended 30 September 2019

Profitability

- ◆ Net interest income up by 1.6% to QAR 1,939m YTD 2019 vs YTD 2018.
 - ◆ NIM increased to 2.3% YTD 2019 vs 2.2% YTD 2018.
 - ◆ NIM has improved from 2.2% in Q2 2019 to 2.4% in Q3 2019.
 - ◆ Margins have been managed through active increase in high yielding assets, and diversifying liquidity sources to minimize cost of funding.

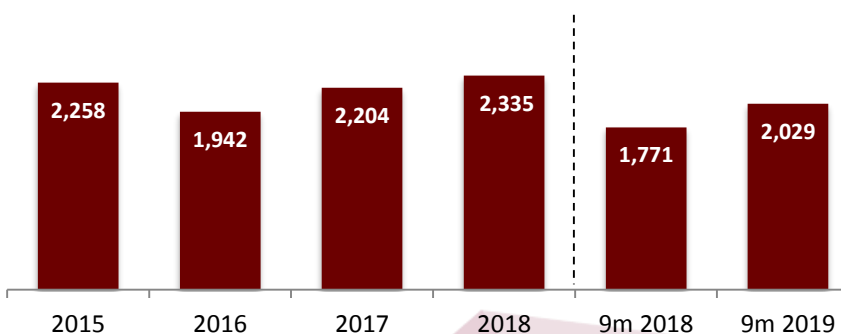
- ◆ Non-interest income up by 21.1% to QAR 914m vs YTD 2018
 - ◆ Net fee income increased by 9.2% YTD 2019 to QAR 622m with higher transaction banking fees and credit facility related fees.
 - ◆ Net foreign exchange income up 40.6% to QAR 214m YTD 2019 vs QAR 152m YTD 2018.

Net interest margin



Net interest income as a % of average interest earning assets, including (i) loans and advances to customers, (ii) bonds and (iii) loans to other credit institutions

Operating Profit

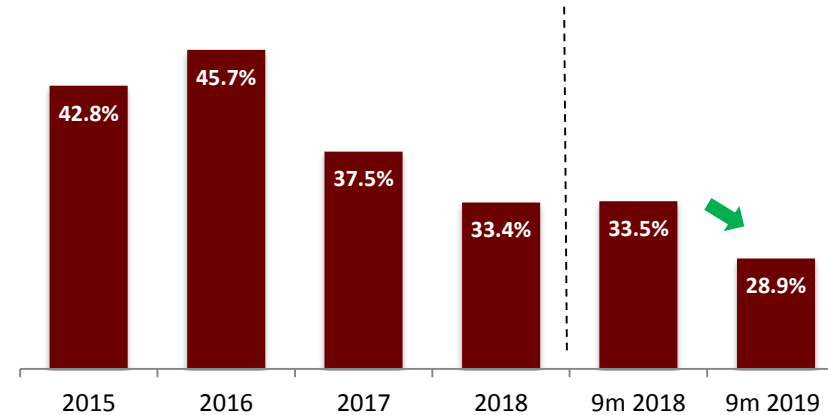


Cost to Income Ratio improves as cost efficiency measures take effect

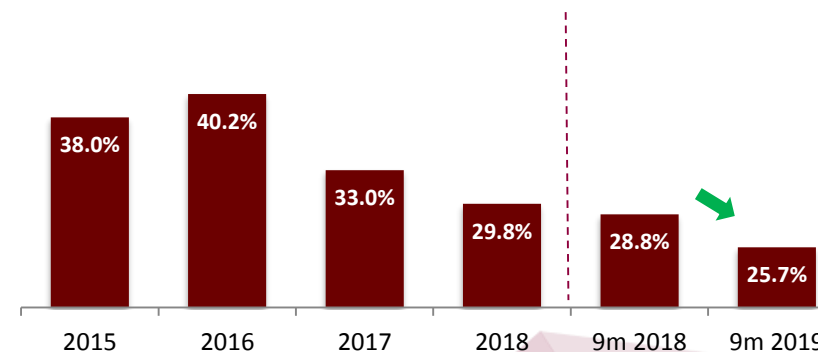
Operating Expenses

- ◆ Cost to income ratio lower at 28.9% YTD 2019 v 33.5% for the same period in 2018 driven by a reduction in staff costs and G&A expenses.
 - ◆ Staff costs reduced by 2.2% to QAR 503m YTD 2019 v 2018.
 - ◆ G&A expenses decreased led by tighter control across all general and administrative spend.
- ◆ Continued focus on digital processes and tight expense management.
- ◆ In Qatar C/I Ratio reduced from 28.8% YTD 2018 to 25.7% in 2019.
- ◆ Alternatifbank C/I Ratio reduced from 50.6% YTD 2018 to 37.1% YTD 2019.

Cost to Income Ratio Consolidated



Cost to Income Ratio Domestic



* Outsource service provider cost for 2017 was QAR 44m, which has now been brought in-house to subsidiary

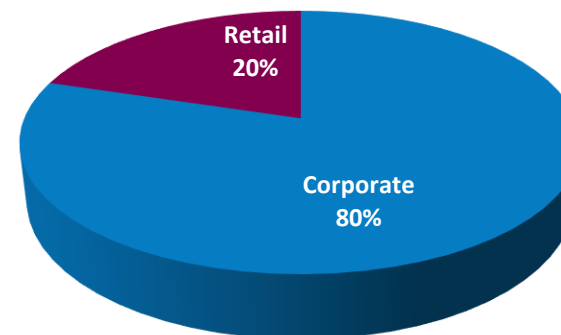


Improved loan book structure

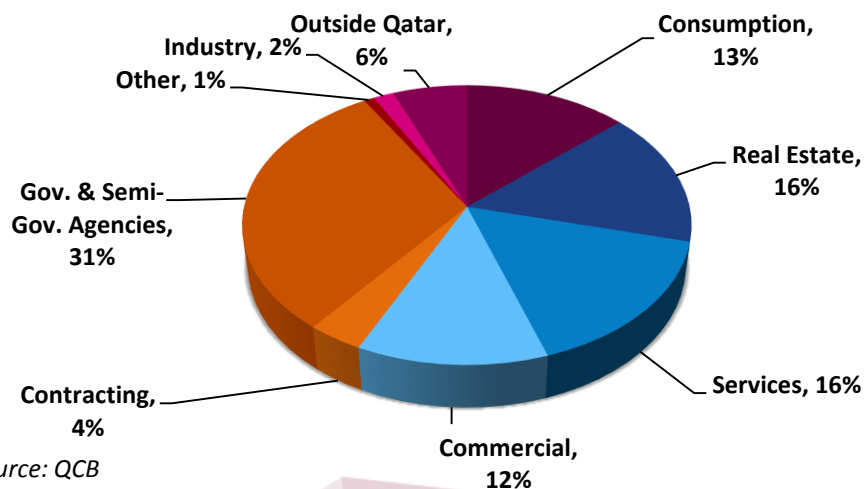
Summary

- ◆ Loans to customers at QAR 89.1bn, up 3.8% v Sept 2018.
- ◆ Growth in government and public sectors
- ◆ Reduction in real estate and contracting sectors
- ◆ Loan book diversified across sectors
- ◆ Corporate customers represent 80% of total loan book
- ◆ Focus continues on improving market share in Government and Public sector.

Loan book breakdown by division (Sept 2019)



Qatari banks credit facilities breakdown by sector – Aug 2019



Source: QCB

Loan book breakdown by sector – Sept 2019

Sector	Sep-19	Sep-18
Govt and Public Sector	14%	10%
Industry	9%	8%
Commercial	12%	9%
Services	30%	29%
Contracting	5%	8%
Real Estate	22%	26%
Consumption	7%	8%
Other	1%	2%
	100%	100%

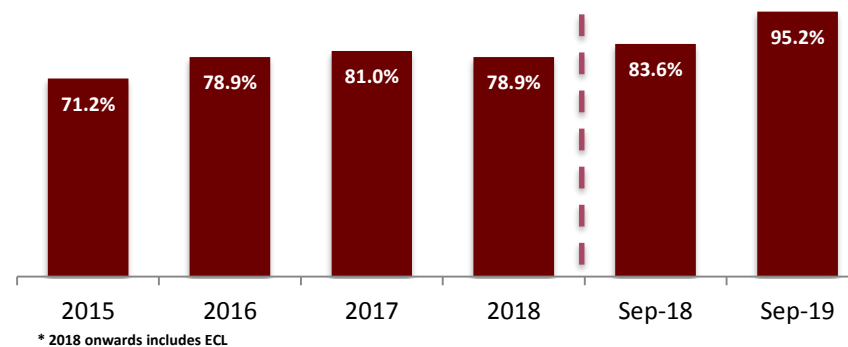


Asset Quality – 30 Sept 2019: Decrease in provision for loan losses

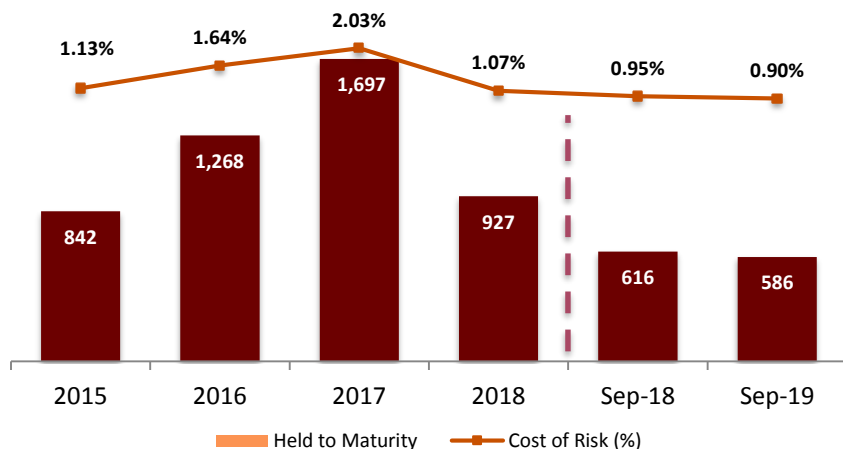
Summary

- ◆ Net impairment for loan loss of QAR 586m v QAR 616m YTD 2018
 - ◆ QAR 229m for Wholesale
 - ◆ QAR 193m for Retail
 - ◆ QAR 164m for Alternatifbank
- ◆ NPL ratio reduced to 4.9% from 5.5% in Sept 2018
- ◆ Loan coverage at 95.2% v 83.6% in Sept 2018

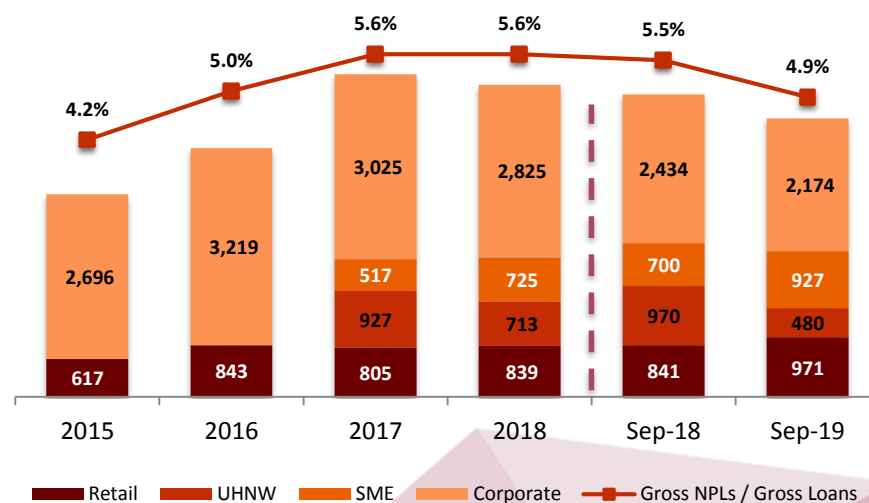
Loan coverage ratio



Net Provision for loan loss (QAR million)



Non-performing loan ('NPL') ratio (90 day basis)

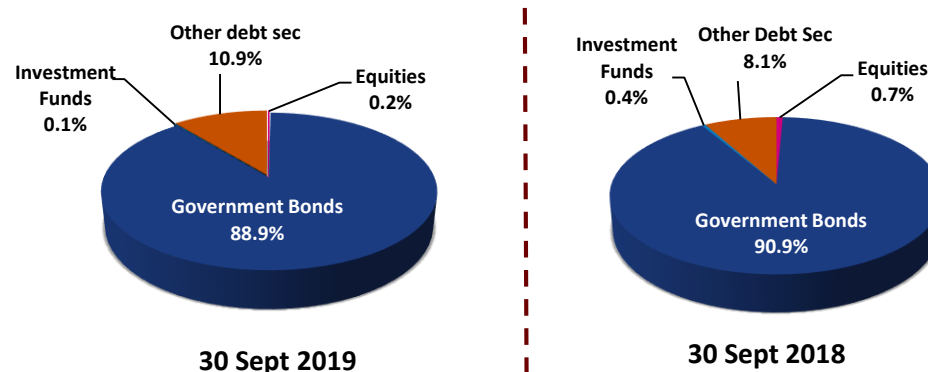


Investment Portfolio – 30 Sept 2019: High asset quality with 89% of the portfolio invested in HQLA Government Bonds

Summary

- ◆ Investment portfolio up 24.8% to QAR 27.0bn v Sept 2018
 - ◆ Driven by purchase of highly rated sovereign bonds.
 - ◆ Investment in global debt securities to benefit from easing monetary conditions.
- ◆ 88.9% Government Bonds and QCB T-Bills

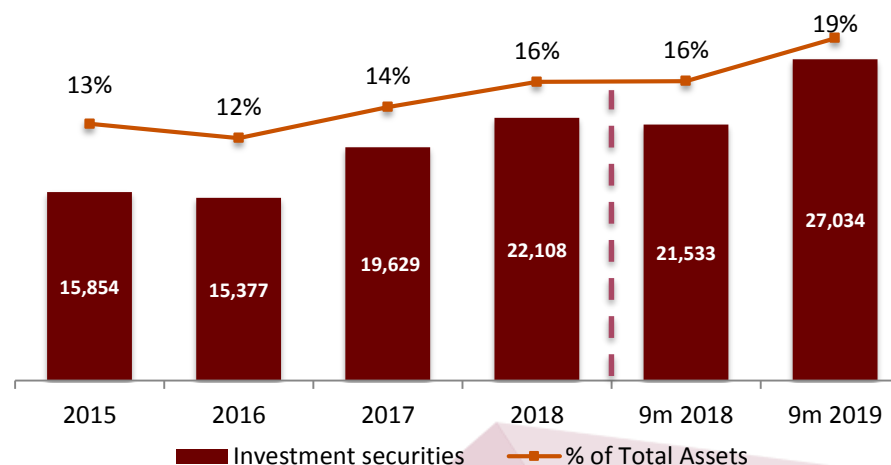
Investment portfolio – 30 Sept 2019 vs 30 Sept 2018



Investment portfolio by credit rating

Credit Rating	Portfolio Weight
AAA to AA-	87%
A+ to A-	7%
BBB+ to BB	3%
BB to B-	2%
Unrated	1%

Investment portfolio evolution (QAR million)



Funding : Continue to build up diverse sources of funding

Summary

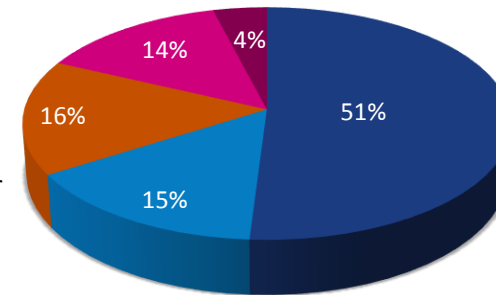
- ◆ Customers' deposits down by 1.4% to QAR 74.3bn in Sept 2019 v Sept 2018 representing 51% of the total balance sheet
- ◆ Well diversified funding mix
- ◆ Total equity represents 15% of funding mix
- ◆ Syndicated loan issuance of USD 750m in Dec 2018

Debt issued and other borrowed funds

Issuance Type (QARm)	Sep-19	Sep-18
Subordinated Notes	3,446	3,425
EMTN	6,341	7,910
Senior Notes	603	2,434
Other loans (including CPs)	10,717	11,907
Total	21,107	25,676

Total funding mix – 30 Sept 2019

- Customers' Deposits
- Total Shareholders' Equity
- Due to Banks and Financial Institutions
- Debt Securities & Other borrowings
- Other Liabilities



Commercial Bank credit ratings

Rating Agency	Foreign Ccy Deposits/IDR		Bank Strength	Outlook	Date
	LT	ST			
Moody's	A3	Prime 2	ba1	Stable	Jul 19
Fitch	A	F1	bb+	Stable	Mar19
S&P	BBB+	A-2	bb+	Stable	Jun19

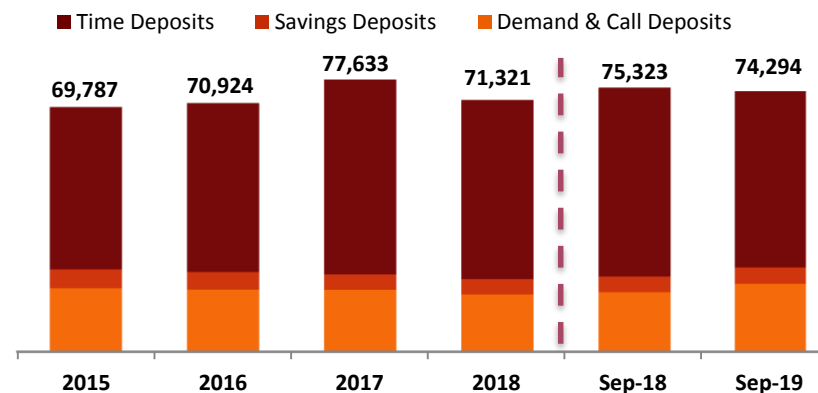


Well diversified deposit portfolio

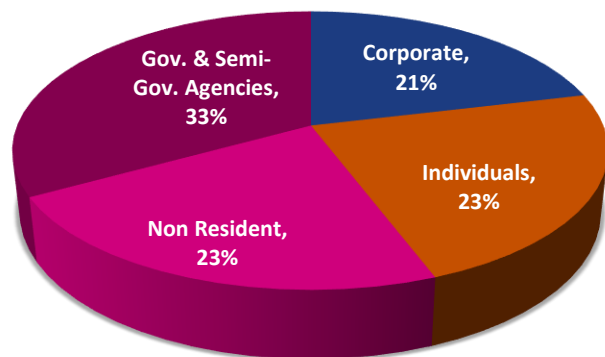
Summary

- ◆ Customer deposits reduced by 1.4% to QAR 74.3 Bn v YTD 2018
- ◆ Diversified deposit mix with Government and Semi-Government at 24% , corporate at 27% and individuals at 32%
- ◆ Current and Savings accounts deposit composition remains stable at 32% of the deposit base.
- ◆ The mix of Qatar non resident deposit is 17%.

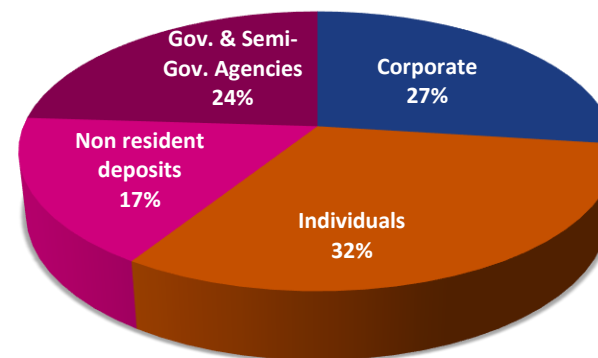
Customer deposits (QAR million)



Qatari banks deposits breakdown by sector –Aug 2019



Deposits by customer type – Sept 2019



Source: QCB

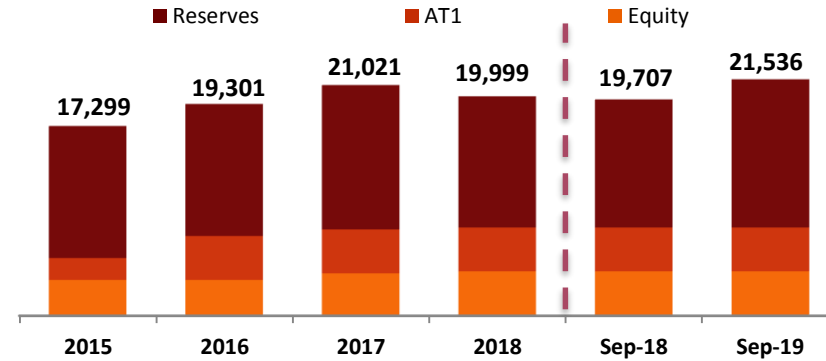
Capitalization Levels – 30 Sept 2019

Summary

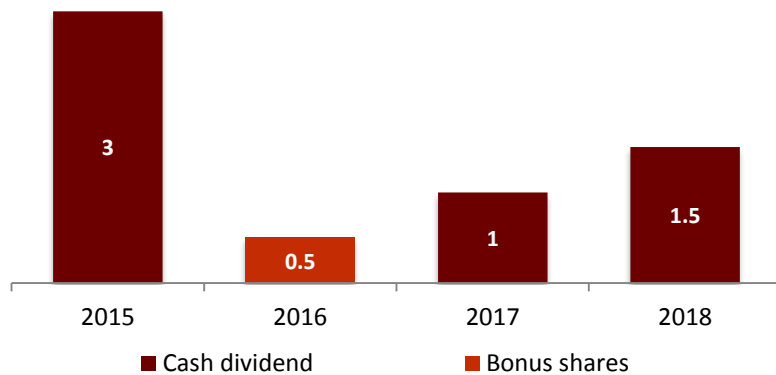
Total equity at QAR 21.5bn up by QAR 1.5bn from Q4 2018, due to:

- ◆ Increase in retained earnings by QAR 0.6bn on account of profits of 9m 2019 adjusted by the dividends payment of 2018.
- ◆ Increase in fair value reserves by QAR 0.6bn.
- ◆ Capital Adequacy Ratio at 16.2% (Basel III)
- ◆ Increase in risk reserve by QAR 0.2 bn.

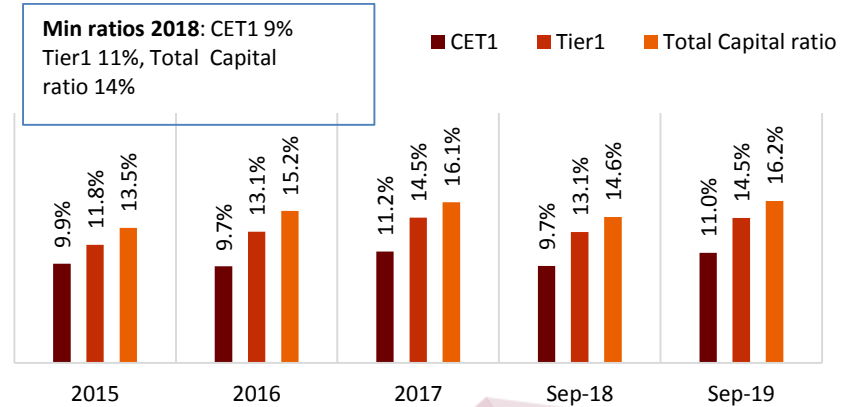
Total equity (QAR million)



Dividend distribution per share (QAR)



Capital Adequacy Ratio (Basel III)



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Commercial Bank Financial Performance – Nine months 30 Sept 2019 (Domestic)

Profitability

QAR Million	9m 2019	9m 2018	%
Net interest income	1,704	1,668	2.2%
Non-interest income	755	686	10.1%
Total costs	633	679	-6.8%
Net provisions	464	522	-11.1%
Net profit	1,362	1,153	18.1%

Balance Sheet

QAR Million	9m 2019	9m 2018	%
Total assets	129,087	122,346	5.5%
Loan & advances	77,068	73,839	4.4%
Securities investments	26,083	20,353	28.2%
Customers' deposits	64,264	66,325	-3.1%
Total equity	21,412	19,730	8.5%

Performance Ratios

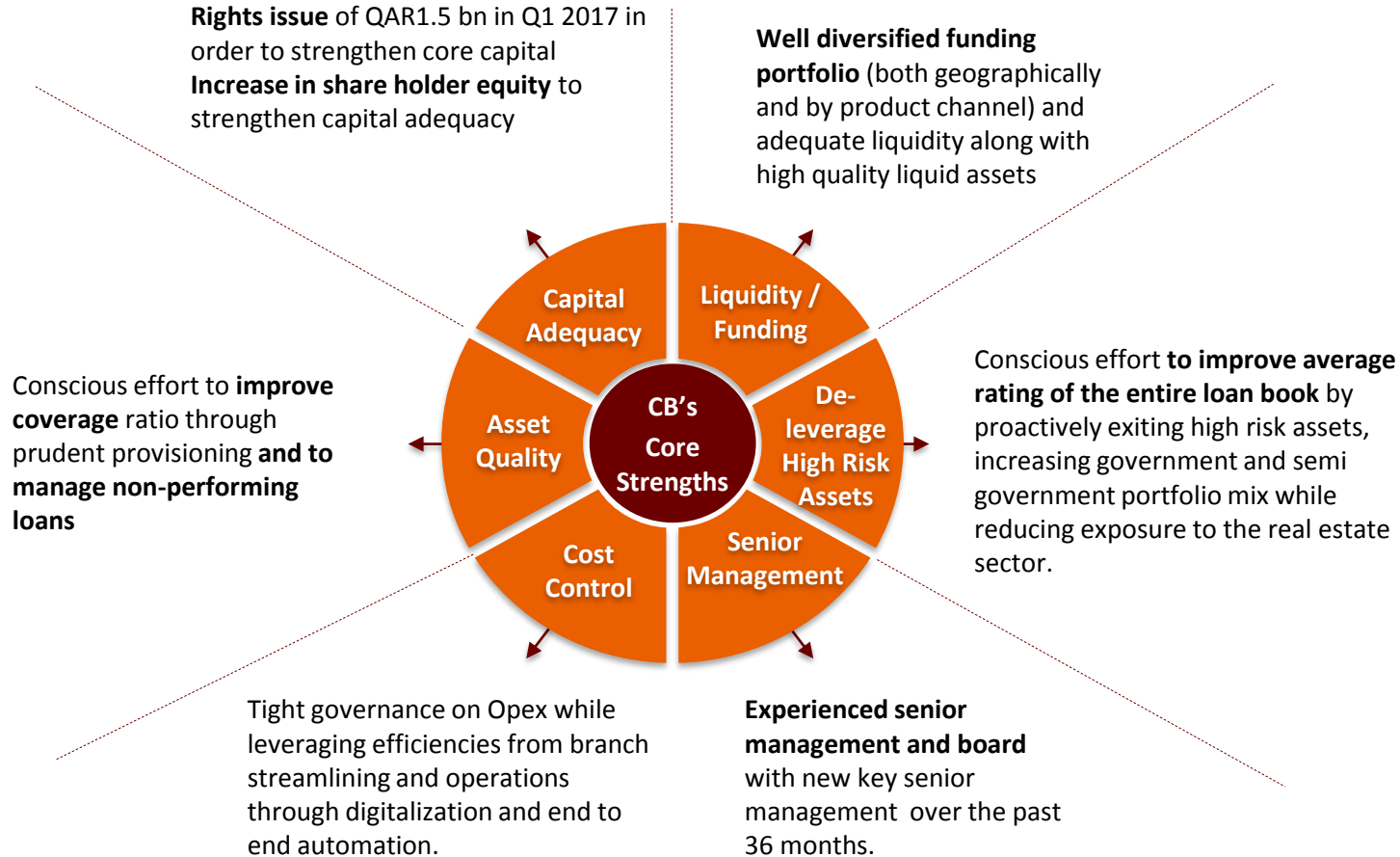
	9m 2019	9m 2018
ROAE (Consol)	9.4%	8.2%
ROAA	1.4%	1.2%
NIM	2.3%	2.2%

Capital

QAR Million	9m 2019	9m 2018
RWA (QAR million)	96,438	99,589
CET 1 ratio	11.4%	10.0%
Total Capital ratio	16.0%	14.6%



Commercial Bank – Standalone Qatar Operations Strategy



Strategic Investment in Alternatif Bank of Turkey

Transaction Highlights

- ◆ Commercial Bank now owns 100% of Alternatif Bank with full Board control
- ◆ Initial 75% stake in Alternatif Bank acquired in 2013
- ◆ Acquisition in-line with business/geographic diversification strategy

Alternatifbank Key Highlights

- ◆ Established in 1991
- ◆ Mid-size Turkish bank that predominately serves medium sized companies through a country network of 49 branches
- ◆ The Bank's main product ranges cover trade finance instruments, working capital finance, cash management and portfolio management
- ◆ Two major subsidiaries in Leasing and Investment Banking areas
- ◆ Recently rebranded with CB logo

Governance

- ◆ CB fully controls board
- ◆ CB representation on all Board committees
- ◆ Close liaison between CB and Alternatif Bank management

Alternatifbank Financial Highlights

- ◆ Changed management in late 2017
- ◆ Tightened lending for 2018, focus on improving performance at the operating level while taking a prudent provisioning approach
- ◆ Now started joint transactions with CB leveraging CB balance sheet, example being the recent Mayhoola transaction
- ◆ Total assets of TL 29bn as of 30th September 2019
- ◆ For consolidation into CB's financial statements, Alternatif Bank Group delivered a net profit of TL 170m for 9m 2019 as compared with TL 92m in 9m 2018
- ◆ Alternatif Bank contributes 12% to CB balance sheet and 7% to its profit and loss

Alternatif Bank provides commercial/corporate banking services and products

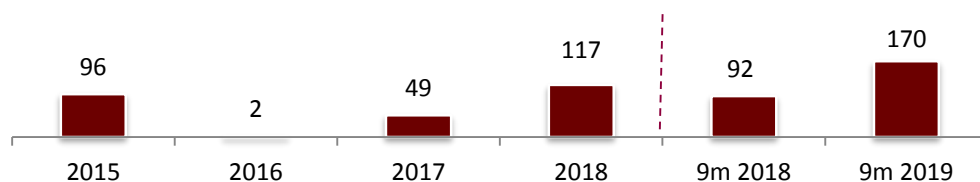


Alternatifbank Results – Nine months ended 30 Sept 2019

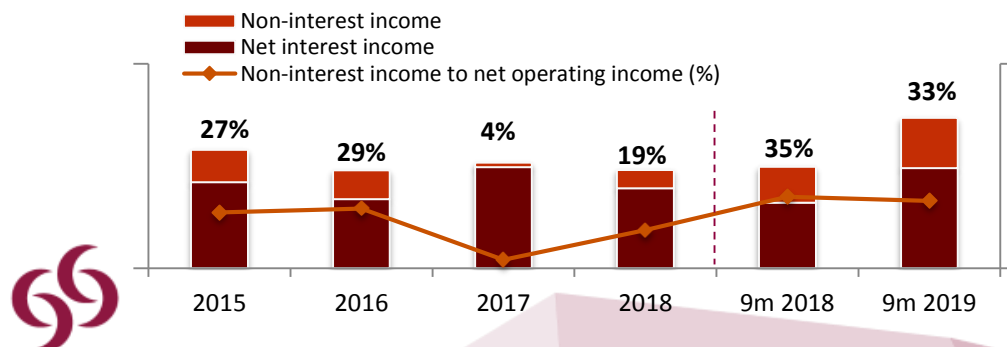
Alternatifbank of Turkey

- ◆ Net profit after tax at TL 170m v TL 92m in 9m 2018
- ◆ Operating income up by TL 239m v 9m 2018
- ◆ Operating expenses up by TL 20m v 9m 2018
- ◆ Loan book up to TL 18.6bn v TL 18.2bn in Q3 2018
- ◆ Customer deposits up to TL 15.6bn v TL 14.3bn in Q3 2018
- ◆ CB injected USD 50 million capital into Alternatif Bank
- ◆ CET1 ratio 8.8%, Tier 1 9.8% and total capital adequacy ratio of 18.1%

Net Profit (TL million)



Net operating income (TL million)



Profitability

TL million	9m 2019	9m 2018
Operating Income	735	496
Total Operating Expenses	(273)	(253)
Total Provision	(249)	(139)
Profit Before Tax	213	104
Tax Expenses	(43)	(12)
Net Profit *	170	92

Balance Sheet

TL million	9m 2019	9m 2018
Assets		
Cash and Balanceswith Cetral Bank	2,533	2,506
Due from banks	3,103	2,328
Loans and advances to customers	18,640	18,165
Total Investments	3,601	3,906
Other Assets	1,528	2,562
Total Assets	29,405	29,467
Liabilities & Equity		
Due to banks	601	1,433
Customers' deposit	15,556	14,271
Other borrowed funds	9,760	10,315
Other Liabilities	1,041	1,727
Shareholders Equity	2,447	1,721
Total Liabilities and Equity	29,405	29,467

* Net Profit excludes TL 35m from MTM on AT1 capital that is eliminated on consolidation.



Turkish currency and economy show signs of stability

Commercial Bank Support for Alternatifbank

- ◆ Commercial Bank has injected USD 100m of capital in 2018, USD 50m in 2019.
- ◆ Liquidity lines have been established.
- ◆ Qatar Government has announced an injection of USD 15bn to support the Turkish economy.

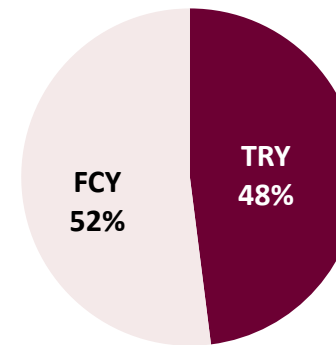
BRSA actions and Impact

- ◆ BRSA has taken actions to stabilize the liquidity and capital in the local banking system;
- ◆ Reducing reserve requirements of banks
- ◆ Relaxing the conversion of the USD/TL exchange rate in the calculation of the capital adequacy ratio
- ◆ Tighten exchange control regulations
- ◆ BRSA has recently announced measures for NPLs, which banks are reviewing and will take action from Q4 2019

Loan book breakdown by Sector

Industry Sector	Portfolio Weight
Industry	36%
Services	25%
Contracting	15%
Commercial	14%
Real Estate	1%
Others	9%

Loan book breakdown by currency 30 September



Strategic investment in National Bank of Oman (NBO)

Transaction Highlights

- ◆ CB holds 34.9% stake in NBO, acquired in 2005
- ◆ Acquisition in-line with business/geographic diversification strategy

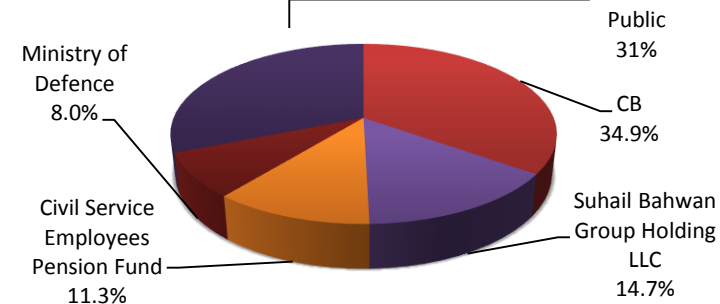
NBO Key Highlights

- ◆ Oman's 1st local bank; in operation since 1973
- ◆ The bank is the 3rd largest bank by total assets in Oman at USD 9bn as at 30 September 2019
- ◆ As at 30 September 2019 NBO had approximately 11.8% market share in loans and 11.4% market share in deposits in Oman.
- ◆ Presence in Oman (66 branches); 1 branch each in Egypt, Abu Dhabi and Dubai
- ◆ Full service bank, with strong franchise in corporate and retail banking
 - ◆ 1st bank in Oman to introduce online banking
 - ◆ Consumer segment offers SMS banking and salary cards
 - ◆ Offers real-time access to account information through its "SAMA" Corporate Internet Banking platform
 - ◆ Sadara offering (premier banking)

Recent Updates

- ◆ CB announced that it will not support the merger of NBO with Bank Dhofar as it was not considered beneficial for NBO in the long term.
- ◆ Hence NBO did not go ahead with the merger.

Major Shareholders



Sharing best practices within the Group i.e. risk management, product innovation, IT, finance and training

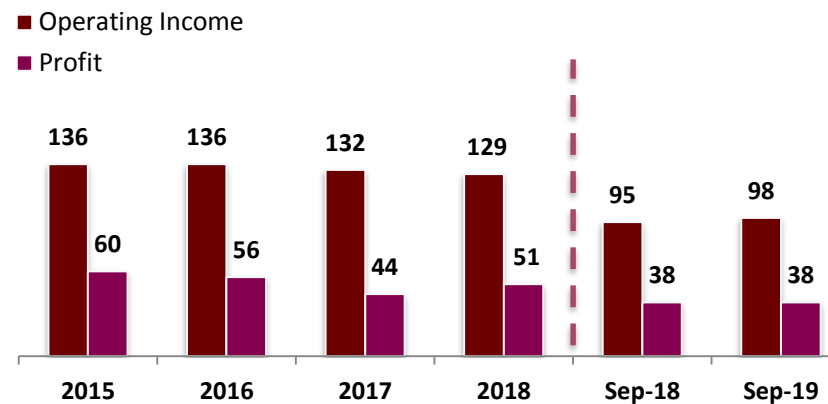


Associates' Performance YTD 30 Sept 2019

National Bank of Oman (NBO)

- ◆ Net profit after tax at OMR 38.3m, increased from OMR 38.1m in YTD Sept 2018
- ◆ Net operating income OMR 51.2m, remains constant from YTD Sept 2018
 - ◆ Net interest income up 3% to OMR 72m
 - ◆ Non-interest income increased 3% to OMR 26m
- ◆ Loan portfolio increased by 7% to OMR 2.8bn v Sept 2018
- ◆ Customer deposits up by 2% to OMR 2.5bn v Sept 2018

NBO Performance (OMR million)



United Arab Bank (UAB)

- ◆ UAB continues to be an asset held for sale in Q3 2019.



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Group Financial Performance – Nine months ended 30 September 2019 in US\$⁽¹⁾

Group Profitability

QAR Million	9m 2019	9m 2018	%
Net interest income	533	524	1.6%
Non-interest income	251	207	21.1%
Total costs	226	245	-7.7%
Net provisions	172	173	-0.9%
Associates income	35	35	-0.5%
Net profit after tax	413	346	19.4%

Consolidated Balance Sheet

QAR Million	9m 2019	9m 2018	%
Total assets	40,026	38,103	5.0%
Loan & advances	24,477	23,576	3.8%
Investment Securities	7,427	5,949	24.8%
Customers' deposits	20,410	20,693	-1.4%
Total equity	5,916	5,414	9.3%

Performance Ratios

	9m 2019	9m 2018
ROAE	9.4%	8.2%
ROAA	1.4%	1.2%
NIM	2.3%	2.2%

Capital

QAR Million	9m 2019	9m 2018
RWA (QAR million)	32,099	32,464
CET 1 ratio (Basel III)	11.0%	9.7%
Total Capital ratio (Basel III)	16.2%	14.6%

(1) QAR/USD = 0.27; pegged exchange ratio of as of 30 Sept 2019

