



INTERIM CONSOLIDATED STATEMENT OF INCOME FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2018

QAR '000s

	Three months ended		Six months ended	
	30 June 18 Reviewed	30 June 17 Reviewed	30 June 18 Reviewed	30 June 17 Reviewed
Interest income	1,515,719	1,254,660	2,938,341	2,431,123
Interest expense	(846,506)	(625,242)	(1,609,895)	(1,203,139)
Net interest income	669,213	629,418	1,328,446	1,227,984
Fee and commission income	284,789	250,639	578,810	528,496
Fee and commission expense	(96,873)	(72,649)	(173,405)	(154,016)
Net fee and commission income	187,916	177,990	405,405	374,480
Net foreign exchange gain	28,410	38,207	58,766	96,338
Net income from investment securities	6,270	12,382	956	29,015
Other operating income	21,698	23,648	39,120	39,303
Net operating income	913,507	881,645	1,832,693	1,767,120
Staff costs	(178,266)	(177,492)	(354,746)	(366,782)
Depreciation	(32,802)	(33,439)	(67,134)	(78,001)
Amortization of intangible assets	(13,829)	(14,002)	(27,842)	(27,650)
Net impairment losses on investment securities	2,353	(18,901)	7,259	(24,929)
Net impairment losses on loans and advances to customers	(206,389)	(482,778)	(428,103)	(961,513)
Net impairment losses on other financial assets	4,326	-	(14,727)	-
Other expenses	(84,142)	(107,213)	(170,811)	(215,113)
Profit before share of results of associates and a joint venture	404,758	47,820	776,589	93,132
Share of results of associates and a joint venture	43,118	45,490	86,503	96,306
Profit before tax	447,876	93,310	863,092	189,438
Income tax expense	2,488	(4,941)	(8,036)	(9,843)
Profit for the period	450,364	88,369	855,056	179,595
Attributable to:				
Equity holders of the bank	450,364	88,368	855,055	179,594
Non-controlling interests	-	1	-	1
Profit for the period	450,364	88,369	855,056	179,595
Earnings per share				
Basic/diluted earnings per share (QAR)	1.11	0.22	2.11	0.45

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2018

QAR '000s

	Three months ended		Six months ended	
	30 June 18 Reviewed	30 June 17 Reviewed	30 June 18 Reviewed	30 June 17 Reviewed
Profit for the period	450,364	88,369	855,056	179,595
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	(213,486)	86,184	(274,879)	8,423
Share of other comprehensive income of investment in associates and a joint venture	-	(10,153)	-	6,135
Net movement in cash flow hedges - effective portion of changes in fair value	37,906	-	37,906	-
Net movement in fair value of available-for-sale investments (IAS 39):				
Net change in fair value	-	(4,415)	-	158,141
Net amount transferred to consolidated income statement	-	(9,359)	-	(19,765)
Net change in fair value of investments in debt securities designated at FVOCI (IFRS 9):				
Net change in fair value	(143,684)	-	(278,614)	-
Net amount transferred to consolidated income statement	161	-	200	-
Items that are or may not be subsequently reclassified to profit or loss:				
Net change in fair value of equity investments designated at FVOCI (IFRS 9)	(7,098)	-	(9,100)	-
Share of other comprehensive income of investment in associates and a joint venture (IFRS 9)	(3,942)	-	(7,508)	-
Other comprehensive (loss) / income for the period	(330,143)	62,257	(531,995)	152,934
Total comprehensive income for the period	120,221	150,626	323,061	332,529
Attributable to:				
Equity holders of the bank	120,220	150,625	323,060	332,528
Non-controlling interests	1	1	1	1
Total comprehensive income for the period	120,221	150,626	323,061	332,529

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

QAR '000s

	30 June 18 Reviewed	30 June 17 Reviewed	31 Dec 17 Audited
ASSETS			
Cash and balances with central banks	7,144,924	8,055,967	7,373,918
Due from banks	11,327,694	10,361,049	10,499,348
Loans and advances to customers	87,194,520	83,609,554	89,121,935
Investment securities	21,703,738	18,846,851	19,629,246
Investment in associates and a joint venture	2,012,082	4,321,633	2,088,158
Asset held for sale	2,559,591	-	2,287,100
Property and equipment	2,704,533	2,615,805	2,590,987
Intangible assets	340,876	480,603	430,178
Other assets	4,898,664	5,156,725	4,428,182
TOTAL ASSETS	139,886,622	133,448,187	138,449,052
LIABILITIES			
Due to banks	12,098,583	10,934,413	13,515,872
Customer deposits	75,116,081	74,390,561	77,633,333
Debt securities	15,785,477	10,020,861	11,604,890
Other borrowings	10,266,172	10,553,976	9,303,365
Other liabilities	7,255,173	6,414,576	5,370,073
TOTAL LIABILITIES	120,521,486	112,314,387	117,427,533
EQUITY			
Share capital	4,047,254	4,047,254	4,047,254
Legal reserve	9,745,632	9,740,513	9,742,066
General reserve	26,500	26,500	26,500
Risk reserve	361,151	1,929,908	1,890,408
Fair value reserve	(320,146)	(75,304)	(44,500)
Treasury shares	(179,507)	-	(179,507)
Foreign currency translation reserve	(1,658,805)	(1,251,384)	(1,383,926)
Other reserves	995,623	1,012,619	1,064,189
Revaluation reserve	1,264,794	1,264,794	1,264,794
Retained earnings	1,082,624	438,886	594,226
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK	15,365,120	17,133,786	17,021,504
Non-controlling interests	16	14	15
Instruments eligible for additional capital	4,000,000	4,000,000	4,000,000
TOTAL EQUITY	19,365,136	21,133,800	21,021,519
TOTAL LIABILITIES AND EQUITY	139,886,622	133,448,187	138,449,052

The condensed consolidated interim financial statements were approved by the Board of Directors on 18 July 2018 and were signed on its behalf by:

Sheikh Abdulla Bin Ali Bin Bador Al Thani
Chairman

Mr. Mohd Ismail Mandani Al Emadi
Board Member

Mr. Joseph Abraham
Group Chief Executive Officer

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 30 June 2018, comprising of the interim consolidated statement of financial position as at 30 June 2018 and the related interim consolidated statements of income and comprehensive income for the three month and six month periods ended 30 June 2018, the related interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the 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.

Other matter

The interim condensed consolidated financial statements of the Group as at and for the six months ended 30 June 2017 were reviewed and the consolidated financial statements as at and for the year ended 31 December 2017 were audited by another auditor, whose reports dated 18 July 2017 and 29 January 2018 respectively, expressed an unmodified review and audit opinions on those statements.

Ihab Marzouk
of Ernst & Young
Auditor's Registration No. 338

Date: 18 July 2018
Doha