

Qatar Islamic Bank (Q.P.S.C)

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS**

30 June 2018

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 June 2018

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

Introduction

We have reviewed the accompanying 30 June 2018 condensed consolidated interim financial statements of Qatar Islamic Bank (Q.P.S.C) (the "Bank") and its subsidiaries (together referred to as the "Group"), which comprise:

- the condensed consolidated statement of financial position as at 30 June 2018;
- the condensed consolidated income statement for the three and six month periods ended 30 June 2018;
- the condensed consolidated statement of changes in equity for the six month period ended 30 June 2018;
- the condensed consolidated statement of changes in restricted investment accounts for the six month period ended 30 June 2018;
- the condensed consolidated statement of cash flows for the six month period ended 30 June 2018;
- notes to the condensed consolidated interim financial statements.

The Board of Directors of the Bank is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI") and the applicable provisions of the Qatar Central Bank regulations. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial statements 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 Auditing Standards for Islamic Financial Institutions 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 30 June 2018 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with Financial Accounting Standards issued by AAOIFI and the applicable provisions of the Qatar Central Bank regulations.

Gopal Balasubramaniam
Qatar Auditors Registry Number 251
KPMG
Licensed by QFMA: External Auditor's License No. 120153


15 July 2018
Doha
State of Qatar

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

| | | <i>30 June 2018 (Reviewed) QAR'000</i> | <i>31 December 2017 (Audited) QAR'000</i> | <i>30 June 2017 (Reviewed) QAR'000</i> |
|--|----|--|---|--|
| Assets | | | | |
| Cash and balances with central banks | | 5,327,281 | 5,546,386 | 5,374,550 |
| Due from banks | | 10,054,174 | 4,875,690 | 4,695,692 |
| Financing assets | 6 | 100,260,030 | 102,613,499 | 109,691,729 |
| Investment securities | 7 | 30,422,877 | 30,402,263 | 20,124,578 |
| Investment in associates | | 675,163 | 668,512 | 867,162 |
| Investment properties | | 1,305,042 | 1,943,937 | 1,460,035 |
| Asset held for sale | 8 | - | 245,686 | - |
| Fixed assets | | 493,148 | 511,302 | 524,488 |
| Intangible assets | | 398,982 | 411,314 | 412,760 |
| Other assets | | 3,524,770 | 3,156,287 | 3,735,827 |
| Total assets | | 152,461,467 | 150,374,876 | 146,886,821 |
| Liabilities, equity of unrestricted investment account holders and equity | | | | |
| Liabilities | | | | |
| Due to banks | | 20,872,184 | 17,191,126 | 18,013,236 |
| Customers' current accounts | | 18,236,987 | 16,600,080 | 19,527,864 |
| Sukuk financing | | 8,417,780 | 7,057,282 | 9,518,464 |
| Other liabilities | | 4,268,463 | 3,431,752 | 2,321,851 |
| Total liabilities | | 51,795,414 | 44,280,240 | 49,381,415 |
| Equity of unrestricted investment account holders | 9 | 80,657,180 | 85,214,471 | 77,408,535 |
| Equity | | | | |
| Share capital | | 2,362,932 | 2,362,932 | 2,362,932 |
| Legal reserve | 10 | 6,370,016 | 6,370,016 | 6,370,016 |
| Risk reserve | 11 | 2,263,736 | 2,263,736 | 2,170,280 |
| General reserve | 12 | 81,935 | 81,935 | 81,935 |
| Fair value reserve | | 240,762 | 170,173 | 185,466 |
| Foreign currency translation reserve | 14 | (253,057) | (137,224) | (145,081) |
| Other reserves | 15 | 216,820 | 216,820 | 216,820 |
| Proposed cash dividends | 16 | - | 1,181,466 | - |
| Share-based payment reserve | 17 | 9,004 | 11,185 | 10,565 |
| Retained earnings | | 3,162,726 | 2,768,147 | 3,067,888 |
| Total equity attributable to equity holders of the bank | | 14,454,874 | 15,289,186 | 14,320,821 |
| Non-controlling interests | | 1,553,999 | 1,590,979 | 1,776,050 |
| Sukuk eligible as additional capital | 18 | 4,000,000 | 4,000,000 | 4,000,000 |
| Total equity | | 20,008,873 | 20,880,165 | 20,096,871 |
| Total liabilities, equity of unrestricted investment account holders and equity | | 152,461,467 | 150,374,876 | 146,886,821 |

These condensed consolidated interim financial statements were approved by the Board of Directors on 15 July 2018 and were signed on its behalf by:


 Jassim Bin Hamad Bin Jassim Bin Jabor Al Thani
 Chairman


 Bassel Gama
 Group Chief Executive Officer

The attached notes 1 to 23 form part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the three and six month periods ended 30 June 2018

| | For the three month period ended 30 June | | For the six month period ended 30 June | | |
|---|---|-----------------------|---|-----------------------|-----------|
| | 2018 | 2017 | 2018 | 2017 | |
| | (Reviewed) QAR'000 | (Reviewed) QAR'000 | (Reviewed) QAR'000 | (Reviewed) QAR'000 | |
| | <i>Note</i> | | | | |
| Net income from financing activities | | 1,314,150 | 1,270,331 | 2,587,294 | 2,408,838 |
| Net income from investing activities | | 222,858 | 192,296 | 389,795 | 379,587 |
| Total income from financing and investing activities, net | | 1,537,008 | 1,462,627 | 2,977,089 | 2,788,425 |
| Fee and commission income | | 178,433 | 176,064 | 358,535 | 344,046 |
| Fee and commission expense | | (37,548) | (33,039) | (76,977) | (68,593) |
| Net fee and commission income | | 140,885 | 143,025 | 281,558 | 275,453 |
| Net foreign exchange gain | | 56,818 | 30,661 | 106,388 | 55,912 |
| Share of results of associates | | (8,845) | 9,548 | (8,803) | 16,949 |
| Other income | | 5,682 | 4,165 | 11,455 | 9,704 |
| Total income | | 1,731,548 | 1,650,026 | 3,367,687 | 3,146,443 |
| Staff costs | | (159,227) | (158,519) | (321,125) | (310,728) |
| Depreciation and amortisation | | (23,358) | (22,878) | (46,289) | (45,270) |
| Sukuk holders' share of profit | | (60,439) | (53,981) | (113,034) | (98,610) |
| Other expenses | | (103,952) | (98,919) | (209,806) | (190,841) |
| Total expenses | | (346,976) | (334,297) | (690,254) | (645,449) |
| Net impairment losses on due from banks | | (949) | - | (1,091) | - |
| Net impairment losses on investment securities | | (56,035) | (57,500) | (122,305) | (101,800) |
| Net impairment losses on financing assets | | (110,946) | (189,598) | (266,347) | (321,306) |
| Net impairment (losses) / reversals on other financial instruments | | (1,842) | - | 12,671 | - |
| Other impairment losses | | (908) | (2,005) | - | (2,005) |
| Net profit for the period before tax and return to unrestricted investment account holders | | 1,213,892 | 1,066,626 | 2,300,361 | 2,075,883 |
| Less: return to unrestricted investment account holders | | (512,570) | (447,068) | (1,000,021) | (886,508) |
| Net profit for the period before tax | | 701,322 | 619,558 | 1,300,340 | 1,189,375 |
| Tax expense | | (6,777) | (3,673) | (9,282) | (10,789) |
| Net profit for the period | | 694,545 | 615,885 | 1,291,058 | 1,178,586 |
| Net profit for the period attributable to: | | | | | |
| Equity holders of the Bank | | 700,083 | 609,758 | 1,325,331 | 1,165,108 |
| Non-controlling interests | | (5,538) | 6,127 | (34,273) | 13,478 |
| Net profit for the period | | 694,545 | 615,885 | 1,291,058 | 1,178,586 |
| Earnings per share | | | | | |
| Basic / diluted earnings per share (QAR per share) | 13 | 2.96 | 2.58 | 5.61 | 4.93 |

The attached notes 1 to 23 form part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six month period ended 30 June 2018

| | Share capital | Legal reserve | Risk reserve | General reserve | Fair value reserve | Foreign currency translation reserve | Other reserves | Proposed cash dividends | Share-based payment reserve | Retained earnings | Total equity attributable to equity holders of the Bank | Non-controlling interests | Sukuk eligible as additional capital | Total equity |
|--|---------------|---------------|--------------|-----------------|--------------------|--------------------------------------|----------------|-------------------------|-----------------------------|-------------------|---|---------------------------|--------------------------------------|--------------|
| -----QAR'000----- | | | | | | | | | | | | | | |
| Balance at 31 December 2017 (Audited) | 2,362,932 | 6,370,016 | 2,263,736 | 81,935 | 170,173 | (137,224) | 216,820 | 1,181,466 | 11,185 | 2,768,147 | 15,289,186 | 1,590,979 | 4,000,000 | 20,880,165 |
| Early adoption of FAS 30 (note 2(c)) | - | - | - | - | - | - | - | - | - | (930,752) | (930,752) | (46,266) | - | (977,018) |
| Restated balance at 1 January 2018 | 2,362,932 | 6,370,016 | 2,263,736 | 81,935 | 170,173 | (137,224) | 216,820 | 1,181,466 | 11,185 | 1,837,395 | 14,358,434 | 1,544,713 | 4,000,000 | 19,903,147 |
| Foreign currency translation reserve movement | - | - | - | - | - | (115,833) | - | - | - | - | (115,833) | - | - | (115,833) |
| Fair value reserve movement | - | - | - | - | 70,589 | - | - | - | - | - | 70,589 | - | - | 70,589 |
| Net profit for the period | - | - | - | - | - | - | - | - | - | 1,325,331 | 1,325,331 | (34,273) | - | 1,291,058 |
| Total recognised income and expense for the period | - | - | - | - | 70,589 | (115,833) | - | - | - | 1,325,331 | 1,280,087 | (34,273) | - | 1,245,814 |
| Cash dividends paid to shareholders (Note 16) | - | - | - | - | - | - | - | (1,181,466) | - | - | (1,181,466) | - | - | (1,181,466) |
| Share-based payment (Note 17) | - | - | - | - | - | - | - | - | (2,181) | - | (2,181) | (2,170) | - | (4,351) |
| Movement in non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | 45,729 | - | 45,729 |
| Balance at 30 June 2018 (Reviewed) | 2,362,932 | 6,370,016 | 2,263,736 | 81,935 | 240,762 | (253,057) | 216,820 | - | 9,004 | 3,162,726 | 14,454,874 | 1,553,999 | 4,000,000 | 20,008,873 |

The attached notes 1 to 23 form part of these condensed consolidated interim financial statements.

Qatar Islamic Bank (Q.P.S.C)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six month period ended 30 June 2018

| | <i>Share capital</i> | <i>Legal reserve</i> | <i>Risk reserve</i> | <i>General reserve</i> | <i>Fair value reserve</i> | <i>Foreign currency translation reserve</i> | <i>Other reserves</i> | <i>Proposed cash dividends</i> | <i>Share - based payment reserve</i> | <i>Retained earnings</i> | <i>Total equity attributable to equity holders of the Bank</i> | <i>Non-controlling interests</i> | <i>Sukuk eligible as additional capital</i> | <i>Total equity</i> |
|--|----------------------|----------------------|---------------------|------------------------|---------------------------|---|-----------------------|--------------------------------|--------------------------------------|--------------------------|--|----------------------------------|---|---------------------|
| -----QAR'000----- | | | | | | | | | | | | | | |
| Balance at 1 January 2017 <i>(Audited)</i> | 2,362,932 | 6,370,016 | 2,170,280 | 81,935 | 195,089 | (194,335) | 216,820 | 1,122,393 | 10,223 | 1,902,780 | 14,238,133 | 1,760,528 | 4,000,000 | 19,998,661 |
| Foreign currency translation reserve movement | - | - | - | - | - | 49,254 | - | - | - | - | 49,254 | - | - | 49,254 |
| Fair value reserve movement | - | - | - | - | (9,623) | - | - | - | - | - | (9,623) | - | - | (9,623) |
| Net profit for the period | - | - | - | - | - | - | - | - | - | 1,165,108 | 1,165,108 | 13,478 | - | 1,178,586 |
| Total recognised income and expense for the period | - | - | - | - | (9,623) | 49,254 | - | - | - | 1,165,108 | 1,204,739 | 13,478 | - | 1,218,217 |
| Cash dividends paid to shareholders (Note 16) | - | - | - | - | - | - | - | (1,122,393) | - | - | (1,122,393) | - | - | (1,122,393) |
| Share-based payment (Note 17) | - | - | - | - | - | - | - | - | 342 | - | 342 | 340 | - | 682 |
| Movement in non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | 1,704 | - | 1,704 |
| Balance at 30 June 2017 <i>(Reviewed)</i> | 2,362,932 | 6,370,016 | 2,170,280 | 81,935 | 185,466 | (145,081) | 216,820 | - | 10,565 | 3,067,888 | 14,320,821 | 1,776,050 | 4,000,000 | 20,096,871 |

The attached notes 1 to 23 form part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN RESTRICTED INVESTMENT ACCOUNTS

For the six month period ended 30 June 2018

| <i>Investment</i> | <i>Movements during the period</i> | | | | | | <i>At 30 June 2018 (Reviewed) QAR'000</i> |
|-----------------------------|--|---|--------------------------------|-------------------------------------|---------------------------------------|---|---|
| | <i>At 1 January 2018 (Audited) QAR'000</i> | <i>Investment (withdrawals) QAR'000</i> | <i>Revaluation QAR'000</i> | <i>Gross income QAR'000</i> | <i>Dividends paid QAR'000</i> | <i>Bank's fee as an agent QAR'000</i> | |
| | Real Estate Portfolio | 73,164 | (6,734) | - | - | - | |
| Equity Securities Portfolio | 883,592 | (89,653) | (12,266) | 22,374 | (1,134) | 2,365 | 805,278 |
| | 956,756 | (96,387) | (12,266) | 22,374 | (1,134) | 2,365 | 871,708 |

| <i>Investment</i> | <i>Movements during the period</i> | | | | | | <i>At 30 June 2017 (Reviewed) QAR'000</i> |
|-----------------------------|--|---|--------------------------------|-------------------------------------|---------------------------------------|---|---|
| | <i>At 1 January 2017 (Audited) QAR'000</i> | <i>Investment (withdrawals) QAR'000</i> | <i>Revaluation QAR'000</i> | <i>Gross income QAR'000</i> | <i>Dividends paid QAR'000</i> | <i>Bank's fee as an agent QAR'000</i> | |
| | Real Estate Portfolio | 73,164 | - | - | - | - | |
| Equity Securities Portfolio | 892,856 | 38,042 | (17,121) | 14,857 | (323) | (1,137) | 927,174 |
| | 966,020 | 38,042 | (17,121) | 14,857 | (323) | (1,137) | 1,000,338 |

The attached notes 1 to 23 form part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six month period ended 30 June 2018

| | <i>For the six month period ended 30 June</i> | |
|--|---|--|
| | <i>2018 (Reviewed) QAR'000</i> | <i>2017 (Reviewed) QAR'000</i> |
| Cash flows from operating activities | | |
| Net profit for the period before tax | 1,300,340 | 1,189,375 |
| Net changes in operating assets and liabilities | <u>8,067,534</u> | <u>(3,941,020)</u> |
| Net cash flows from / (used in) operating activities | <u>9,367,874</u> | <u>(2,751,645)</u> |
| Cash flows from investing activities | | |
| Net changes in investment securities | (47,967) | (198,579) |
| Net changes in fixed and intangible assets | (26,765) | (33,339) |
| Net changes in associate companies | (33,518) | - |
| Net changes in investment properties | 475,000 | (479,227) |
| Dividends received from associate companies | <u>5,000</u> | <u>11,489</u> |
| Net cash flows from / (used in) investing activities | <u>371,750</u> | <u>(699,656)</u> |
| Cash flows from financing activities | | |
| Change in equity of unrestricted investment accountholders | (4,557,291) | (3,933,107) |
| Profit paid on sukuk eligible as additional capital | (205,000) | (85,000) |
| Net proceeds from sukuk issue | 1,363,180 | 2,730,000 |
| Net movement in non-controlling interests | (538) | 1,699 |
| Cash dividends paid to equity holders of the Bank | <u>(1,181,466)</u> | <u>(1,122,393)</u> |
| Net cash flows used in financing activities | <u>(4,581,115)</u> | <u>(2,408,801)</u> |
| Net increase / (decrease) in cash and cash equivalents | 5,158,509 | (5,860,102) |
| Cash and cash equivalents - beginning of the period | <u>5,629,501</u> | <u>10,656,507</u> |
| Cash and cash equivalents - end of the period (Note 19) | <u>10,788,010</u> | <u>4,796,405</u> |

1. REPORTING ENTITY

Qatar Islamic Bank Q.P.S.C (“QIB” or the “Bank”) is an entity domiciled in the State of Qatar and was incorporated on 8 July 1982 as a Qatari Public Shareholding Company under Emiri Decree no. 45 of 1982. The commercial registration number of the Bank is 8338. The address of the Bank’s registered office is at P.O. Box 559, Doha, State of Qatar. The condensed consolidated interim financial statements of the Bank for the three and six months period ended 30 June 2018 comprise the Bank and its subsidiaries (together referred to as the “Group”). The Group is primarily involved in corporate, retail and investment banking in accordance with Islamic sharia rules as determined by sharia supervisory board of the Bank, and has 30 branches in Qatar and one branch in Sudan. The Parent Company of the Group is Qatar Islamic Bank (Q.P.S.C). The Bank’s shares are listed for trading on the Qatar Exchange.

The condensed consolidated interim financial statements include the financial statements of the Bank and its following subsidiaries and special purpose entities after elimination of intercompany balances and transactions:

| | Country of Incorporation | Principal Business Activity | Effective percentage of ownership | |
|--|--------------------------|-------------------------------|-----------------------------------|------------------|
| | | | 30 June 2018 | 31 December 2017 |
| Arab Finance House | Lebanon | Banking | 99.99% | 99.99% |
| Aqar Real Estate Development and Investment Company W.L.L.(“Aqar”) (i) | Qatar | Investment in real estate | 49% | 49% |
| Durat Al Doha Real Estate Investment and Development W.L.L. (ii) | Qatar | Investment in real estate | 39.87% | 39.87% |
| QIB Sukuk Ltd (iii) | Cayman Island | Sukuk issuance | 100% | 100% |
| QIB Sukuk Funding Limited | Qatar | Financing company | 100% | 100% |
| QIB (UK) | United Kingdom | Investment banking | 99.71% | 99.71% |
| QInvest LLC | Qatar | Investment banking | 50.13% | 50.13% |
| Verdi Luxembourg SARL (iv) | Luxembourg | Investment in real estate | 50.13% | 50.13% |
| Q Business Services (iv) | Cayman Island | Investment holding company | 50.13% | 50.13% |
| Q Liquidity Limited (iv) | Cayman Island | Placements | 50.13% | 50.13% |
| QInvest Holding Mauritius (iv) | Mauritius | Investment holding company | 50.13% | 50.13% |
| Q Exhibit (iv) | Mauritius | Investment holding company | - | 50.13% |
| QInvest Luxembourg S.a.r.l. (iv) | Luxembourg | Investments | 50.13% | 50.13% |
| QI St Edmund’s Terrace 2 Limited (iv) | Cayman Island | Investment holding company | 50.13% | 50.13% |
| QInvest IBFin LLC (Previously known as QInvest Comms Holding LLC) (iv) | Qatar | To provide financing facility | 50.13% | 50.13% |
| QI One Wall Street Invest Co. (iv) | Cayman Island | Investment holding company | 50.13% | 50.13% |
| QEthika 1 (iv) | Cayman Island | Investment holding company | 50.13% | 50.13% |
| QNGPV1 (iv) | Cayman Island | Investment holding company | 50.13% | 50.13% |
| QInvest Euro PE QFC LLC (iv) | Qatar | Investment holding company | 50.13% | 50.13% |
| QInvest Rio LLC (iv) | Qatar | Investment holding company | 31.58% | 31.58% |
| Rio income s.a.r.l. (iv) | Luxembourg | Investment in lease | 45.12% | 45.12% |
| Q Tomahawk LLC (iv) | Cayman Island | Investment holding company | 50.13% | 50.13% |
| QInvest Refin LLC (iv) | Qatar | To provide financing facility | 50.13% | 50.13% |
| Q Alloy S.a.r.l (iv) | Luxemburg | To provide financing facility | 50.13% | 50.13% |
| QSeven 1 LP (iv) | Cayman Island | Investment in real estate | 45.62% | 45.62% |
| Q Magnolia LLC (iv) | Cayman Island | Investment in real estate | 50.13% | 50.13% |
| Qinvest Portfoy Yonetimi A.S. (iv) | Turkey | Asset Management | 50.13% | 50.13% |
| BOH LLC (iv) | Qatar | Holding Company | 50.13% | 50.13% |
| Alloy Holdco LLC (iv) | Qatar | Investment holding company | 50.13% | - |
| Admiral Holdco LLC (iv) | Qatar | Holding Company | 50.13% | - |
| Admiral Operations Limited (iv) | Cayman Islands | Vessel operating company | 37.60% | - |

i) The Bank has the power to cast majority of the votes in the Board of Directors meetings of Aqar by virtue of representing the highest number of members in the Board.

ii) Effective from 1 January 2013, the Group has obtained control to govern the financial and operating policies of its previous associate through a management agreement with other shareholders of the Company.

iii) QIB Sukuk Ltd was incorporated in the Cayman Islands as an exempted company with limited liability for the sole purpose of Sukuk issuance for the benefit of QIB.

iv) The Group has the power to control these entities, indirectly through QInvest LLC and accordingly these entities have been considered as subsidiaries of the Group.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of preparation**

The condensed consolidated interim financial statements have been prepared in accordance with Financial Accounting Standards (“FAS”) issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (“AAOIFI”) and the applicable provisions of Qatar Central Bank (“QCB”) regulations. In line with the requirements of AAOIFI, for matters that are not covered by FAS, the Group uses the guidance from the relevant International Financial Reporting Standards (“IFRSs”) as issued by the International Accounting Standards Board (“IASB”). Accordingly, the condensed consolidated interim financial statements have been prepared in accordance with the guidance provided by International Accounting Standard 34 – ‘Interim Financial Reporting’.

The condensed consolidated interim financial statements do not contain all information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2017 except for the changes in the policies as disclosed in note 2(c). In addition, results for the six month period ended 30 June 2018 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2018.

The preparation of the condensed consolidated interim 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. The actual results may differ from these estimates.

The significant judgments made by the 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 2017 except for changes as disclosed in note 2(c).

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 2017 except for the changes in the policies as disclosed in note 2(c)(v) which may result in additional disclosures at year end.

(b) Significant accounting policies

The significant accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2017 except for the following changes.

New standards and interpretations**i. New standards, amendments and interpretations effective from 1 January 2018**

There are no new accounting standards, amendments and interpretations that are effective from 1 January 2018.

ii. New standards, amendments and interpretations issued but not yet effective*FAS 28 Murabaha and Other Deferred Payment Sales*

AAOIFI has issued FAS 28 Murabaha and Other Deferred Payment Sales in 2017. FAS 28 supersedes the earlier FAS No. 2 "Murabaha and Murabaha to the Purchase Orderer" and FAS No. 20 "Deferred Payment Sale".

The objective of this standard is to prescribe the appropriate accounting and reporting principles for recognition, measurement and disclosures in relation to Murabaha and other deferred payment sales transactions for the sellers and buyers, for such transactions. This standard shall be effective for the financial periods beginning on or after 1 January 2019 with early adoption permitted.

The Group is currently evaluating the impact of this standard.

FAS 31 Investment Agency (Al-Wakala Bi Al-Istithmar)

AAOIFI has issued FAS 31 Investment Agency (Al-Wakala Bi Al-Istithmar) in 2018. The objective of this standard is to establish the principles of accounting and financial reporting for the investment agency (Al-Wakala Bi Al-Istithmar) instruments and the related assets and obligations from both the principal (investor) and the agent perspectives. This standard shall be effective for the financial periods beginning on or after 1 January 2020 with early adoption permitted.

The Group is currently evaluating the impact of this standard.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(b) Significant accounting policies (continued)****New standards and interpretations (continued)****ii. New standards, amendments and interpretations issued but not yet effective (continued)***FAS 30 Impairment, Credit losses and onerous commitments*

AAOIFI has issued FAS 30 Impairment, Credit losses and onerous commitments (FAS 30) in 2017. The objective of this standard is to establish the principles of accounting and financial reporting for the impairment and credit losses on various Islamic financing, investment and certain other assets of Islamic financial institutions (the institutions), and provisions against onerous commitments enabling in particular the users of financial statements to fairly assess the amounts, timing and uncertainties with regard to the future cash flows associated with such assets and transactions. FAS 30 will replace FAS 11 Provisions and Reserves and parts of FAS 25 Investment in Sukuk, shares and similar instruments that deal with impairment.

FAS 30 classifies assets and exposures into three categories based on the nature of risks involved (i.e. credit risk and other risks) and prescribes three approaches for assessing losses for each of these categories of assets: 1) Credit Losses approach, 2) Net Realizable Value approach (“NRV”) and 3) Impairment approach.

Expected credit losses (‘ECL’)

FAS 30 introduces the Credit Losses approach with a forward-looking ‘expected credit loss’ model. The Credit Losses approach for receivables and off balance sheet exposures uses a dual measurement approach, under which the loss allowance is measured as either a 12-month expected credit loss or a lifetime expected credit loss. The new impairment model will apply to financial assets which are subject to credit risk, and a number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk (SICR);
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing group of similar financial assets for the purposes of measuring ECL.

The standard is effective from financial periods beginning on or after 1 January 2020 with early adoption permitted.

QCB earlier issued ECL regulations (“ECL regulations”) via its circular 9 of 2017 as applicable for Islamic banks operating in Qatar. The Group had adopted the ECL regulations, which are similar to FAS 30, with effect from 1 January 2018 and as permitted by those ECL regulations, the Group elected not to restate comparative figures. Adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening retained earnings and non-controlling interests of the current period.

Subsequently, QCB issued circular 26 of 2018 for Islamic banks operating in Qatar with respect to early adoption of FAS 30 effective 1 January 2018 and superseding its earlier circular 9 of 2017. Therefore, the Group has early adopted FAS 30 with effect from 1 January 2018. However, the Group did not identify any adjustments while adopting FAS 30 and overriding the ECL regulations. The requirements for restatement of comparative figures and adjustments to transition remains the same as ECL regulations.

(c) Early adoption of FAS 30

The early adoption of FAS 30 has resulted in changes in the accounting policies for the measurement of impairment on financial assets. Set out below are the FAS 30 transition impact disclosures for the Group. Further details of the specific changes to accounting policies applied in the current period are described in more detail in note 2(c)(iv).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 As at and for the period ended 30 June 2018

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
(c) Early adoption of FAS 30 (continued)
(i) Impact of early adopting FAS 30

The impact from the early adoption of FAS 30 as at 1 January 2018 has been to decrease retained earnings by QAR 930.8 million and decrease the non-controlling interests by QAR 46.2 million:

| | Retained earnings QAR'000 | Non- controlling interests QAR'000 | Total QAR'000 |
|---|---------------------------------|---|------------------|
| Closing balance (31 December 2017 - Audited) | 2,768,147 | 1,590,979 | 4,359,126 |
| <i>Impact on recognition of expected credit losses</i> | | | |
| Expected credit losses for due from banks | 297 | - | 297 |
| Expected credit losses for debt type investments carried at amortised cost | 90 | - | 90 |
| Expected credit losses for financing assets | 828,019 | 46,264 | 874,283 |
| Expected credit losses for off balance sheet exposures subject to credit risk | 102,346 | 2 | 102,348 |
| | 930,752 | 46,266 | 977,018 |
| Opening balance under FAS 30 on date of initial application of 1 January 2018 | 1,837,395 | 1,544,713 | 3,382,108 |

(ii) Expected credit loss / impairment allowances

The following table reconciles the closing impairment allowance for financial assets in accordance with the existing FAS as at 31 December 2017 to the opening ECL allowance determined in accordance with FAS 30 as at 1 January 2018.

| | 31 December 2017 QAR'000 (Audited) | Expected credit losses QAR'000 (Reviewed) | 1 January 2018 QAR'000 (Reviewed) |
|--|---|--|--|
| Due from banks | 23,439 | 297 | 23,736 |
| Debt type investments carried at amortised cost | 44,327 | 90 | 44,417 |
| Financing assets | 1,198,498 | 874,283 | 2,072,781 |
| Off balance sheet exposures subject to credit risk | 19,980 | 102,348 | 122,328 |
| | 1,286,244 | 977,018 | 2,263,262 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the period ended 30 June 2018

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Early adoption of FAS 30 (continued)

(iii) Exposure and movement of expected credit loss / impairment allowances

| | Stage 1 | Stage 2 | Stage 3 | Total |
|--|--------------------|-------------------|------------------|--------------------|
| | QAR'000 | QAR'000 | QAR'000 | QAR'000 |
| Exposures subject to expected credit losses as at 30 June 2018 | | | | |
| Due from banks | 9,996,747 | 60,723 | 23,439 | 10,080,909 |
| Debt type investments carried at amortised cost | 28,063,856 | 57,930 | 106,461 | 28,228,247 |
| Financing assets | 87,200,585 | 13,983,850 | 1,114,797 | 102,299,232 |
| Off balance sheet exposures subject to credit risk | 10,983,550 | 873,811 | 21,457 | 11,878,818 |
| | 136,244,738 | 14,976,314 | 1,266,154 | 152,487,206 |
| Closing balance - impairment allowances as at 31 December 2017 | | | | |
| Due from banks | - | - | 23,439 | 23,439 |
| Debt type investments carried at amortised cost | - | - | 44,327 | 44,327 |
| Financing assets | - | 29,585 | 1,168,913 | 1,198,498 |
| Off balance sheet exposures subject to credit risk | - | - | 19,980 | 19,980 |
| | - | 29,585 | 1,256,659 | 1,286,244 |
| Opening balance of expected credit losses (Day 1 impact) - as at 1 January 2018 | | | | |
| Expected credit losses for due from banks | 297 | - | - | 297 |
| Expected credit losses for debt type investments carried at amortised cost | 90 | - | - | 90 |
| Expected credit losses for financing assets | 318,102 | 556,181 | - | 874,283 |
| Expected credit losses for off balance sheet exposures subject to credit risk | 90,093 | 12,255 | - | 102,348 |
| | 408,582 | 568,436 | - | 977,018 |
| Write off / transfers for the period | | | | |
| Due from banks | - | - | - | - |
| Debt type investments carried at amortised cost | - | - | - | - |
| Financing assets | (65,000) | (29,585) | (193,273) | (287,858) |
| Off balance sheet exposures subject to credit risk | - | - | - | - |
| | (65,000) | (29,585) | (193,273) | (287,858) |
| Charge / (reversal) for the period (net) including foreign currency translation | | | | |
| Due from banks | 1,090 | 1 | - | 1,091 |
| Debt type investments carried at amortised cost | 1,050 | 1,517 | - | 2,567 |
| Financing assets | (67,793) | 21,623 | 312,517 | 266,347 |
| Off balance sheet exposures subject to credit risk | (10,814) | (1,857) | - | (12,671) |
| | (76,467) | 21,284 | 312,517 | 257,334 |
| Closing balance - as at 30 June 2018 (Reviewed) | | | | |
| Due from banks | 1,387 | 1 | 23,439 | 24,827 |
| Debt type investments carried at amortised cost | 1,140 | 1,517 | 44,327 | 46,984 |
| Financing assets | 185,309 | 577,804 | 1,288,157 | 2,051,270 |
| Off balance sheet exposures subject to credit risk | 79,279 | 10,398 | 19,980 | 109,657 |
| | 267,115 | 589,720 | 1,375,903 | 2,232,738 |

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(c) Early adoption of FAS 30 (continued)****(iv) Changes in accounting policies and significant estimates and judgements***Key changes to the Group's accounting policies*

The key changes to the Group's accounting policies resulting from the early adoption of FAS 30 are summarised below. Since the comparative financial information has not been restated, the accounting policies in respect of the financial instruments for comparative periods are based on existing FAS and applicable QCB regulations as disclosed in the audited consolidated financial statements as of and for the year ended 31 December 2017.

Impairment of financial assets

FAS 30 replace the 'incurred loss' model with an 'expected credit loss' model. The new impairment model also applies to certain loan commitments and financial guarantee contracts but not to equity investments. Under the new standard, credit losses are recognised earlier than under FAS 11.

Key changes in the Group's accounting policy for impairment of financial assets are listed below:

The Group applies a three-stage approach to measuring ECL on financial assets carried at amortised cost. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

Stage 1: 12 months ECL

Stage 1 includes financial assets on initial recognition and that do not have a significant increase in credit risk since initial recognition or that have low credit risk (i. Local sovereign that carry credit rating of (Aaa) or (Aa) and carry (zero) credit weight in accordance with capital adequacy instructions of the QCB ii. Externally rated debt instruments of rating Aaa or Aa. iii. Other financial assets which the Group may classify as such after obtaining QCB's no objection) at the reporting date. For these assets, 12-month ECL are recognised and profit is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL is the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12-months.

Stage 2: Lifetime ECL - not credit impaired

Stage 2 includes financial assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised, but profit is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. Expected credit losses are the weighted average credit losses with the life-time probability of default as the weight.

Stage 3: Non-performing - credit impaired

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date in accordance with the indicators specified in the QCB's instructions. For these assets, lifetime ECL is recognised according to QCB's instructions as disclosed in most recent annual financial statements. When transitioning financial assets from stage 2 to stage 3, the percentage of provision made for such assets should not be less than the percentage of provision made before transition.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(c) Early adoption of FAS 30 (continued)****(iv) Changes in accounting policies and significant estimates and judgements (continued)**Inputs, assumptions and techniques used for estimating impairment

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and expert credit assessment and including forward-looking information.

In determining whether credit risk has increased significantly since initial recognition following criteria are considered:

- I. Two notches down for rating from 1 to 4 or one notch down for ratings from 5 to 6
- II. Facilities restructured during previous twelve months
- III. Facilities overdue by 60 days as at the reporting date
- IV. Any other reason as per management discretion that evidence a significant increase in credit risk

Credit risk grades

Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade.

Generating the term structure of Probability of Default (PD)

The Group employs statistical models to analyse the data collected and generate estimates of PD of exposures and how these are expected to change as a result of the passage of time. This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors, across various portfolios in which the Bank has taken exposures.

(v) Changes to Group financial risk management objectives and policies**Credit Risk Measurement**

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Group measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). This is similar to the approach used for the purposes of measuring Expected Credit Loss (ECL) under FAS 30 as detailed in note 2(c)(iv).

Credit risk grading

The Group uses internal credit risk gradings that reflect its assessment of the probability of default of individual counterparties. The Group uses internal rating models tailored to the various categories of counterparty. The credit grades are calibrated such that the risk of default increases exponentially at each higher risk grade.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
(c) Early adoption of FAS 30 (continued)
(v) Changes to Group financial risk management objectives and policies (continued)
Credit quality assessments

Pursuant to the early adoption of FAS 30, the Group has mapped its internal credit rating scale to a third party rating agency's rating scale. The table below provides an analysis of counterparties by rating grades and credit quality of the Group's credit risk, based on third party rating agency's rating scale (or their equivalent) as at 30 June 2018.

| Rating grade | Due from banks | Debt type investments carried at amortised cost | Financing assets | Off balance sheet exposures subject to credit risk | Total |
|--------------|-------------------|---|--------------------|--|--------------------|
| | QAR'000 | QAR'000 | QAR'000 | QAR'000 | QAR'000 |
| AAA to AA- | 3,412,542 | 27,887,120 | 12,744,882 | 1,815,412 | 45,859,956 |
| A+ to A- | 5,899,881 | 19,136 | 1,252,744 | 731,912 | 7,903,673 |
| BBB to BBB- | 425,531 | 79,299 | 70,516,948 | 3,932,100 | 74,953,878 |
| BB+ to B- | 1,091 | 129,466 | 13,080,139 | 5,037,979 | 18,248,675 |
| Unrated | 341,864 | 113,226 | 4,704,519 | 361,415 | 5,521,024 |
| Total | 10,080,909 | 28,228,247 | 102,299,232 | 11,878,818 | 152,487,206 |

3. OPERATING SEGMENTS

The Group has four reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately based on the Group's management and internal reporting structure. For each of the strategic divisions, the Chief Executive Officer reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

Corporate banking – Corporate Banking includes services offered to institutional investors, corporate, other banks, and investment vehicles such as mutual funds or pensions.

Personal banking – Personal banking includes services that are offered to individual customers through local branches of the Bank which includes checking and savings accounts, credit cards, personal lines of credit, mortgages, and so forth.

Group function – treasury, investment, finance and other central functions.

Local & international subsidiaries – Local and international subsidiaries include the Groups local and international subsidiaries all of which are consolidated in the Group financial statements.

Information regarding the results, assets and liabilities of each reportable segment is included below.

Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Chief Executive Officer. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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3. OPERATING SEGMENTS (CONTINUED)

Information about operating segments

| <i>30 June 2018 (Reviewed)</i> | <i>Corporate banking QAR'000</i> | <i>Personal banking QAR'000</i> | <i>Group function QAR'000</i> | <i>Local & international subsidiaries QAR'000</i> | <i>Total QAR'000</i> |
|--|--|---|---------------------------------------|---|--------------------------|
| External revenue: | | | | | |
| Total income from financing and investing activities | 2,091,295 | 616,732 | 110,528 | 158,534 | 2,977,089 |
| Net fee and commission income | 151,760 | 90,859 | 18,700 | 20,239 | 281,558 |
| Net foreign exchange gain | - | - | 48,407 | 57,981 | 106,388 |
| Share of results of associates | - | - | 9,075 | (17,878) | (8,803) |
| Other income | - | - | - | 11,455 | 11,455 |
| Inter segment revenue | (558,469) | 203,747 | 354,722 | - | - |
| Total segment income | 1,684,586 | 911,338 | 541,432 | 230,331 | 3,367,687 |
| Staff costs, other expenses and depreciation and amortization | (120,640) | (215,570) | (81,245) | (159,765) | (577,220) |
| Sukuk holders' share of profit | - | - | (113,034) | - | (113,034) |
| Return to unrestricted investment account holders | (685,258) | (192,160) | (102,271) | (20,332) | (1,000,021) |
| Other material non-cash items: | | | | | |
| Net impairment losses on due from banks | - | - | (949) | (142) | (1,091) |
| Net impairment losses on investment securities | - | - | (120,875) | (1,430) | (122,305) |
| Net impairment losses on financing assets | (122,384) | (32,551) | (107,747) | (3,665) | (266,347) |
| Net impairment (losses) / reversals on other financial instruments | - | - | 12,973 | (302) | 12,671 |
| Reportable segment net profit before tax | 756,304 | 471,057 | 28,284 | 44,695 | 1,300,340 |
| Tax expense | - | - | - | (9,282) | (9,282) |
| Reportable segment net profit after tax | 756,304 | 471,057 | 28,284 | 35,413 | 1,291,058 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the period ended 30 June 2018

3. OPERATING SEGMENTS (CONTINUED)

Information about operating segments

| <i>30 June 2017 (Reviewed)</i> | <i>Corporate banking QAR'000</i> | <i>Personal banking QAR'000</i> | <i>Group function QAR'000</i> | <i>Local & international subsidiaries QAR'000</i> | <i>Total QAR'000</i> |
|---|--|---|---------------------------------------|---|--------------------------|
| External revenue: | | | | | |
| Total income from financing and investing activities | 1,698,204 | 578,284 | 269,766 | 242,171 | 2,788,425 |
| Net fee and commission income | 125,332 | 77,055 | 39,648 | 33,418 | 275,453 |
| Net foreign exchange gain | - | - | 52,049 | 3,863 | 55,912 |
| Share of results of associates | - | - | 11,235 | 5,714 | 16,949 |
| Other income | - | - | - | 9,704 | 9,704 |
| Inter segment revenue | (490,096) | 141,614 | 348,482 | - | - |
| Total segment income | 1,333,440 | 796,953 | 721,180 | 294,870 | 3,146,443 |
| Staff costs, other expenses and depreciation and amortization | (112,875) | (196,000) | (88,722) | (149,242) | (546,839) |
| Sukuk holders' share of profit | - | - | (98,610) | - | (98,610) |
| Return to unrestricted investment account holders | (439,580) | (140,353) | (247,189) | (59,386) | (886,508) |
| Other material non-cash items: | | | | | |
| Net impairment losses on investment securities | - | - | (101,800) | - | (101,800) |
| Net impairment losses on financing assets | (30,384) | (52,352) | (203,565) | (35,005) | (321,306) |
| Other impairment losses | - | - | - | (2,005) | (2,005) |
| Reportable segment net profit before tax | 750,601 | 408,248 | (18,706) | 49,232 | 1,189,375 |
| Tax expense | - | - | - | (10,789) | (10,789) |
| Reportable segment net profit after tax | 750,601 | 408,248 | (18,706) | 38,443 | 1,178,586 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the period ended 30 June 2018

3. OPERATING SEGMENTS (CONTINUED)

| <i>30 June 2018 (Reviewed)</i> | <i>Corporate banking QAR'000</i> | <i>Personal banking QAR'000</i> | <i>Group function QAR'000</i> | <i>Local & international subsidiaries QAR'000</i> | <i>Total QAR'000</i> |
|---|--|---|---------------------------------------|---|--------------------------|
| Reportable segment assets | <u>90,471,081</u> | <u>18,480,997</u> | <u>38,209,317</u> | <u>5,300,072</u> | <u>152,461,467</u> |
| Reportable segment liabilities and equity of unrestricted investments account holders | <u>57,268,922</u> | <u>34,580,675</u> | <u>36,454,547</u> | <u>4,148,450</u> | <u>132,452,594</u> |
| <i>31 December 2017 (Audited)</i> | <i>Corporate banking QAR'000</i> | <i>Personal banking QAR'000</i> | <i>Group function QAR'000</i> | <i>Local & international subsidiaries QAR'000</i> | <i>Total QAR'000</i> |
| Reportable segment assets | <u>91,833,574</u> | <u>18,762,338</u> | <u>34,547,416</u> | <u>5,231,548</u> | <u>150,374,876</u> |
| Reportable segment liabilities and equity of unrestricted investments account holders | <u>58,520,527</u> | <u>32,893,803</u> | <u>33,957,204</u> | <u>4,123,177</u> | <u>129,494,711</u> |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 As at and for the period ended 30 June 2018

4. FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS

The table below sets out the carrying amounts and fair values of the Group's financial assets and financial liabilities:

| | <i>Fair value through equity</i> | <i>Fair value through income statement</i> | <i>Amortised cost</i> | <i>Total carrying amount</i> | <i>Fair value</i> |
|--|--|--|---------------------------|--------------------------------------|--------------------|
| | <i>QAR'000</i> | <i>QAR'000</i> | <i>QAR'000</i> | <i>QAR'000</i> | <i>QAR'000</i> |
| <i>30 June 2018 (Reviewed)</i> | | | | | |
| Cash and balances with central banks | - | - | 5,327,281 | 5,327,281 | 5,327,281 |
| Due from banks | - | - | 10,054,174 | 10,054,174 | 10,054,174 |
| Financing assets | - | - | 100,260,030 | 100,260,030 | 100,260,030 |
| Investment securities: | | | | | |
| - Measured at fair value | 407,950 | 1,819,748 | - | 2,227,698 | 2,227,698 |
| - Measured at amortised cost | - | - | 28,195,179 | 28,195,179 | 28,108,731 |
| Other assets | - | - | 932,973 | 932,973 | 932,973 |
| | 407,950 | 1,819,748 | 144,769,637 | 146,997,335 | 146,910,887 |
| Due to banks | - | - | 20,872,184 | 20,872,184 | 20,872,184 |
| Customers' current accounts | - | - | 18,236,987 | 18,236,987 | 18,236,987 |
| Sukuk financing | - | - | 8,417,780 | 8,417,780 | 8,417,780 |
| Other liabilities | - | - | 4,268,463 | 4,268,463 | 4,268,463 |
| Equity of unrestricted investment account holders | - | - | 80,657,180 | 80,657,180 | 80,657,180 |
| | - | - | 132,452,594 | 132,452,594 | 132,452,594 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 As at and for the period ended 30 June 2018

4. FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTINUED)

| | <i>Fair value through equity QAR'000</i> | <i>Fair value through income statement QAR'000</i> | <i>Amortised cost QAR'000</i> | <i>Total carrying amount QAR'000</i> | <i>Fair value QAR'000</i> |
|---|--|--|---------------------------------------|--|-------------------------------|
| <i>31 December 2017 (Audited)</i> | | | | | |
| Cash and balances with central banks | - | - | 5,546,386 | 5,546,386 | 5,546,386 |
| Due from banks | - | - | 4,875,690 | 4,875,690 | 4,875,690 |
| Financing assets | - | - | 102,613,499 | 102,613,499 | 102,613,499 |
| Investment securities: | | | | | |
| - Measured at fair value | 555,726 | 1,583,130 | - | 2,138,856 | 2,138,856 |
| - Measured at amortised cost | - | - | 28,263,407 | 28,263,407 | 28,202,221 |
| Other assets | - | - | 974,325 | 974,325 | 974,325 |
| | <u>555,726</u> | <u>1,583,130</u> | <u>142,273,307</u> | <u>144,412,163</u> | <u>144,350,977</u> |
| Due to banks | - | - | 17,191,126 | 17,191,126 | 17,191,126 |
| Customers' current accounts | - | - | 16,600,080 | 16,600,080 | 16,600,080 |
| Sukuk financing | - | - | 7,057,282 | 7,057,282 | 7,057,282 |
| Other liabilities | - | - | 3,431,752 | 3,431,752 | 3,431,752 |
| Equity of unrestricted investment account holders | - | - | 85,214,471 | 85,214,471 | 85,214,471 |
| | <u>-</u> | <u>-</u> | <u>129,494,711</u> | <u>129,494,711</u> | <u>129,494,711</u> |

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial investments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 As at and for the period ended 30 June 2018

4. FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTINUED)
Fair value hierarchy (continued)

The fair value of financial assets and liabilities carried at amortised cost are equal to the carrying value, hence, not included in the fair value hierarchy, except for investment securities carried at amortised cost for which the fair value amounts to QAR 2,181 million (31 December 2017: QAR 2,341 million), which is derived using level 1 fair value hierarchy. During the period ended 30 June 2018, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The following table shows the reconciliation of the opening and closing amounts of level 3 investments which are recorded at fair value:

| | <i>At 1 January 2018</i> | <i>Total gain recorded in consolidated income statement / fair value reserve</i> | <i>Purchases</i> | <i>Sales / transfers</i> | <i>At 30 June 2018</i> |
|--|----------------------------------|--|------------------|------------------------------|----------------------------|
| | <i>(Audited)</i> | | | | <i>(Reviewed)</i> |
| Equity investments: | | | | | |
| at fair value through equity | 267,534 | 7,315 | 22,919 | (297,768) | - |
| at fair value through income statement | 1,140,474 | (8,090) | 197,218 | (3,641) | 1,325,961 |
| Debt investments | | | | | |
| at fair value through income statement | 7,433 | - | - | - | 7,433 |
| | 1,415,441 | (775) | 220,137 | (301,409) | 1,333,394 |

| | <i>At 1 January 2017</i> | <i>Total gain recorded in consolidated income statement / fair value reserve</i> | <i>Purchases</i> | <i>Sales/ transfers</i> | <i>At 31 December 2017</i> |
|--|----------------------------------|--|------------------|-----------------------------|------------------------------------|
| | <i>(Audited)</i> | | | | <i>(Audited)</i> |
| Equity investments: | | | | | |
| at fair value through equity | 352,261 | 523 | 185,753 | (271,003) | 267,534 |
| at fair value through income statement | 750,093 | 48,817 | 378,915 | (37,351) | 1,140,474 |
| Debt investments | | | | | |
| at fair value through income statement | - | - | 7,433 | - | 7,433 |
| | 1,102,354 | 49,340 | 572,101 | (308,354) | 1,415,441 |

5. IMPAIRMENT
Equity-type investments classified as fair value through equity

In the case of equity-type investments classified as fair value through equity and measured at fair value, a significant (where market value has declined by a minimum of 20%) or prolonged (where market value has declined for 9 months at least) decline in the fair value of an investment below its cost is considered in determining whether the investments are impaired. If any such evidence exists for equity-type investments classified as fair value through equity, the cumulative loss previously recognised in the condensed consolidated statement of changes in equity is removed from equity and recognised in the condensed consolidated income statement. Impairment losses recognised in the condensed consolidated income statement on equity-type investments are subsequently reversed through equity. The Group has provided QAR 119.7 million (30 June 2017: QAR 102 million) as impairment on equity investment securities which were recognised under "Net impairment losses on investment securities" in the condensed consolidated income statement.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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5. IMPAIRMENT (CONTINUED)
Investment properties

Investment properties held for rental or capital appreciation is measured at fair value with the resulting unrealised gains being recognised in the condensed consolidated statement of changes in equity under fair value reserve. Any unrealized losses resulting from re-measurement at fair value is recognized in the condensed consolidated statement of financial position under fair value reserve to the extent of available balance. In case such losses exceed the available balance, the unrealized loss is recognized in the condensed consolidated income statement. In case there are unrealized losses that have been recognized in the condensed consolidated income statement in a previous financial year/period, the unrealized gains related to the current financial period is recognized to the extent of crediting back such previous losses in the condensed consolidated income statement. Any excess of such gains over such prior-year losses is added to the fair value reserve.

Financial assets carried at amortised cost (including investment in sukuk instruments classified as amortised cost)

For financial assets carried at amortised cost, impairment is recognised based on FAS 30. Please refer note 2 for accounting policies regarding measurement and recognition of impairment losses. Losses are recognised in condensed consolidated income statement and reflected in an allowance account. The Group has provided QAR 266 million (30 June 2017: QAR 321 million) as impairment on financing assets which was recognised under “Net impairment loss on financing assets” in the condensed consolidated income statement. Further, the Group has recognised losses of QAR 2.6 million (30 June 2017: QAR Nil million) as impairment on investment securities which was recognised under “Net impairment losses on investment securities” in the condensed consolidated income statement.

6. FINANCING ASSETS

| | <i>30 June 2018 (Reviewed) QAR'000</i> | <i>31 December 2017 (Audited) QAR'000</i> | <i>30 June 2017 (Reviewed) QAR'000</i> |
|-----------------------------|--|---|--|
| Total financing assets | 110,244,284 | 110,752,651 | 119,321,141 |
| Less: Deferred profit | (7,870,291) | (6,848,417) | (8,487,461) |
| Allowance for impairment* | (2,051,270) | (1,198,498) | (1,071,067) |
| Suspended profit | (62,693) | (92,237) | (70,884) |
| Net financing assets | <u>100,260,030</u> | <u>102,613,499</u> | <u>109,691,729</u> |

Note:

The impaired financing assets net of deferred profit amounted to QAR 1,115 million as at 30 June 2018 representing 1.1% of the total financing assets net of deferred profit (31 December 2017: QAR 1,209 million, representing 1.2% of the total financing assets net of deferred profit).

*For stage wise exposure and allowance for impairment refer note 2c(iii).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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7. INVESTMENT SECURITIES

| | 30 June 2018 (Reviewed) | | | 31 December 2017 (Audited) | | | 30 June 2017 (Reviewed) | | |
|--|-------------------------|---------------------|-------------------|----------------------------|---------------------|-------------------|-------------------------|---------------------|-------------------|
| | Quoted QAR'000 | Unquoted QAR'000 | Total QAR'000 | Quoted QAR'000 | Unquoted QAR'000 | Total QAR'000 | Quoted QAR'000 | Unquoted QAR'000 | Total QAR'000 |
| Investments classified as fair value through income statement | | | | | | | | | |
| • equity-type investments | 9,470 | 1,723,978 | 1,733,448 | 14,482 | 1,531,573 | 1,546,055 | - | 1,388,839 | 1,388,839 |
| • debt-type investments | | | | | | | | | |
| - Fixed rate | 24,459 | 25,633 | 50,092 | 29,642 | 7,433 | 37,075 | 38,458 | - | 38,458 |
| - Floating rate | - | 36,208 | 36,208 | - | - | - | - | - | - |
| | 33,929 | 1,785,819 | 1,819,748 | 44,124 | 1,539,006 | 1,583,130 | 38,458 | 1,388,839 | 1,427,297 |
| Debt-type investments classified at amortised cost | | | | | | | | | |
| - State of Qatar Sukuk and QCB Murabaha | 1,744,947 | 25,848,232 | 27,593,179 | 2,065,815 | 25,627,227 | 27,693,042 | 2,145,044 | 14,972,590 | 17,117,634 |
| - Fixed rate | 506,109 | 142,875 | 648,984 | 310,947 | 267,345 | 578,292 | 714,488 | 60,609 | 775,097 |
| - Floating rate | - | - | - | - | 36,400 | 36,400 | - | 144,467 | 144,467 |
| Less: allowance for impairment* | (2,281) | (44,703) | (46,984) | - | (44,327) | (44,327) | - | (44,327) | (44,327) |
| | 2,248,775 | 25,946,404 | 28,195,179 | 2,376,762 | 25,886,645 | 28,263,407 | 2,859,532 | 15,133,339 | 17,992,871 |
| Equity-type investments classified as fair value through equity | | | | | | | | | |
| | 248,424 | 159,526 | 407,950 | 288,192 | 267,534 | 555,726 | 153,411 | 550,999 | 704,410 |
| | 2,531,128 | 27,891,749 | 30,422,877 | 2,709,078 | 27,693,185 | 30,402,263 | 3,051,401 | 17,073,177 | 20,124,578 |

*For stage wise exposure and allowance for impairment refer note 2c(iii).

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8. ASSET HELD FOR SALE

On 7 February 2018, management of the Group executed the sale agreement with Malaysia Building Society Bhd (MBSB) and disposed off its stake in its Associate, Asian Finance Bank (AFB) for a consideration of QAR 317.3 million. The related loss on this transaction amounted to QAR 0.9 million and has been presented in the consolidated income statement.

9. EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS

| | <i>30 June 2018 (Reviewed) QAR'000</i> | <i>31 December 2017 (Audited) QAR'000</i> | <i>30 June 2017 (Reviewed) QAR'000</i> |
|-----------------------------|--|---|--|
| Term accounts | 64,402,781 | 70,147,196 | 61,510,891 |
| Saving accounts | 13,109,669 | 12,670,889 | 13,008,336 |
| Call accounts | 3,106,808 | 2,348,373 | 2,853,961 |
| | 80,619,258 | 85,166,458 | 77,373,188 |
| Share in fair value reserve | 37,922 | 48,013 | 35,347 |
| Total | 80,657,180 | 85,214,471 | 77,408,535 |

10. LEGAL RESERVE

In accordance with QCB Law No. 13 of 2012, 10% of net profit attributable to the owners of the Bank for the year is required to be transferred to the reserve until the legal reserve equals 100% of the paid up share capital at a minimum. This reserve is not available for distribution except in circumstances specified in Qatar Commercial Companies Law No. 11 of 2015 and after QCB approval. No appropriation was made in the current period as the legal reserve exceeds 100% of the paid up share capital.

11. RISK RESERVE

In accordance with QCB regulations, a risk reserve should be created to cover contingencies on both the public and private sector financing assets, with a minimum requirement of 2.5% of the total private sector exposure granted by the Group inside and outside Qatar after the exclusion of the specific provisions and profit in suspense. The finance provided to / or secured by the Ministry of Finance – Qatar or finance against cash guarantees is excluded from the gross direct finance. No transfer to risk reserve has been made during the period as the required amount will be transferred at year end. (31 December 2017: QAR 93.4 million was transferred to risk reserve).

12. GENERAL RESERVE

In accordance with the Articles of Association of the Bank, the General Assembly may transfer a portion of the net profits to the general reserve which could be based on the General Assembly Resolution as per recommendation from Board of Directors and after the approval from Qatar Central Bank.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 As at and for the period ended 30 June 2018

13. BASIC AND DILUTED EARNING PER SHARE

Basic and diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Bank for the period by the weighted average number of ordinary shares outstanding during the period.

| | <i>For the three month period ended 30 June</i> | | <i>For the six month period ended 30 June</i> | |
|--|---|-------------------|---|-------------------|
| | 2018 | 2017 | 2018 | 2017 |
| | <i>(Reviewed)</i> | <i>(Reviewed)</i> | <i>(Reviewed)</i> | <i>(Reviewed)</i> |
| Profit for the period attributable to equity holders of the Bank | 700,083 | 609,758 | 1,325,331 | 1,165,108 |
| Weighted average number of shares outstanding during the period | 236,293 | 236,293 | 236,293 | 236,293 |
| Basic and diluted earnings per share (QAR) | 2.96 | 2.58 | 5.61 | 4.93 |

14. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as from the translation of liabilities and gains and losses on risk management instruments that hedge the Group's net investment in foreign operations and gains and losses on revaluation of foreign currency non-monetary assets carried at fair value for which gain or loss is recognized in other comprehensive income.

15. OTHER RESERVES

Other reserves represent the Group's share in the undistributed profits from investments in associate companies after deducting the cash dividends received. No transfer to other reserves has been made during the period as the required amount will be transferred in year end.

16. PROPOSED CASH DIVIDENDS

The equity holders of the Bank approved 50% cash dividends of (QAR 5 per share) amounting to QAR 1,181 million for the year ended 31 December 2017 (47.5% cash dividends (QAR 4.75 per share) amounting to QAR 1,122 million for the year ended 31 December 2016) in the general assembly meeting held on 21 February 2018.

17. SHARE BASED PAYMENT RESERVE

An Employee Share Option Plan ("ESOP") was approved by QInvest LLC, a subsidiary of the Bank in the year 2015, for its key employees. Under the plan, 37.5 million share options were approved with a ratio of 1 option:1 share. The exercise price of the option will be US\$ 1 (QAR 3.64) per share. The options vest as per following schedule:

- 50% of options immediately prior to listing date
- 25% of options 12 months after listing date
- 25% of options 24 months after listing date

Options must be exercised within 24 months of vesting date (or will otherwise lapse). Options will expire 5 years after the grant date if no listing has happened.

For the six month period ended 30 June 2018, the Group has recognised QAR 4.4 million as share-based payment reversal in the condensed consolidated income statement (30 June 2017: QAR 0.7 million as share-based payment expense).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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18. SUKUK ELIGIBLE AS ADDITIONAL CAPITAL

The Group issued a perpetual sukuk eligible as additional tier 1 capital for an amount of QAR 2 billion in the year 2015. The sukuk is unsecured and the profit distributions are discretionary, non-cumulative and payable annually at an agreed expected profit rate of 5% to be reset every sixth year. The Group has the right not to pay profit and the sukuk holders have no right to claim profit on the sukuk. The sukuk does not have a maturity date and have been classified as equity. During September 2016, the Group raised additional tier 1 capital by issuing a perpetual sukuk for an amount of QAR 2 billion at an agreed expected profit rate of 5.25% to be reset every sixth year.

19. CASH AND CASH EQUIVALENTS

For the purpose of the condensed consolidated statement of cash flows, cash and cash equivalents comprise the following balances with original maturities of less than three months:

| | <i>30 June 2018 (Reviewed) QAR'000</i> | <i>31 December 2017 (Audited) QAR'000</i> | <i>30 June 2017 (Reviewed) QAR'000</i> |
|---|--|---|--|
| Cash and balances with central banks (excluding restricted QCB and other central banks reserve account) | 1,072,332 | 953,882 | 1,623,416 |
| Due from banks | <u>9,715,678</u> | <u>4,675,619</u> | <u>3,172,989</u> |
| Total | <u>10,788,010</u> | <u>5,629,501</u> | <u>4,796,405</u> |

20. CONTINGENT LIABILITIES AND COMMITMENTS

| | <i>30 June 2018 (Reviewed) QAR'000</i> | <i>31 December 2017 (Audited) QAR'000</i> | <i>30 June 2017 (Reviewed) QAR'000</i> |
|----------------------------------|--|---|--|
| a) Contingent liabilities | | | |
| Unused financing facilities | 4,728,727 | 5,894,185 | 5,788,677 |
| Guarantees | 12,119,678 | 11,043,258 | 10,883,106 |
| Letters of credit | <u>1,906,444</u> | <u>1,379,262</u> | <u>2,820,340</u> |
| | <u>18,754,849</u> | <u>18,316,705</u> | <u>19,492,123</u> |
| b) Commitments | | | |
| Investment commitment | <u>297,073</u> | <u>301,879</u> | <u>203,188</u> |
| Total | <u>19,051,922</u> | <u>18,618,584</u> | <u>19,695,311</u> |

Lease commitments

Operating lease rentals are payable as follows:

| | <i>30 June 2018 (Reviewed) QAR'000</i> | <i>31 December 2017 (Audited) QAR'000</i> | <i>30 June 2017 (Reviewed) QAR'000</i> |
|---|--|---|--|
| Less than one year | 15,587 | 13,952 | 22,336 |
| After one year but not more than five years | <u>88,635</u> | <u>70,485</u> | <u>74,861</u> |
| | <u>104,222</u> | <u>84,437</u> | <u>97,197</u> |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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21. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include the significant shareholders and entities over which the Group and the shareholders' exercise significant influence, directors and executive management of the Group.

The related party transactions and balances included in these condensed consolidated interim financial statements are as follows:

| | <i>30 June 2018 (Reviewed)</i> | | | <i>31 December 2017 (Audited)</i> | | |
|--|---|---------------------------|----------------|---|---------------------------|----------------|
| | <i>Associated companies</i> | <i>Board of Directors</i> | <i>Others</i> | <i>Associated companies</i> | <i>Board of Directors</i> | <i>Others</i> |
| | <i>QAR'000</i> | <i>QAR'000</i> | <i>QAR'000</i> | <i>QAR'000</i> | <i>QAR'000</i> | <i>QAR'000</i> |
| Assets: | | | | | | |
| Financing assets | 135,394 | 1,190,696 | 1,423,887 | 105,275 | 1,332,770 | 1,593,545 |
| Equity of unrestricted investment account holders | 41,687 | 1,058,965 | 43,456 | 104,548 | 1,093,389 | 246 |
| Off balance sheet items: | | | | | | |
| Contingent liabilities, guarantees and other commitments | 68,217 | 418,601 | - | - | 355,931 | - |
| | | | | | | |
| | <i>For the six month period ended 30 June 2018 (Reviewed)</i> | | | <i>For the six month period ended 30 June 2017 (Reviewed)</i> | | |
| | <i>Associated companies</i> | <i>Board of Directors</i> | <i>Others</i> | <i>Associated companies</i> | <i>Board of Directors</i> | <i>Others</i> |
| | <i>QAR'000</i> | <i>QAR'000</i> | <i>QAR'000</i> | <i>QAR'000</i> | <i>QAR'000</i> | <i>QAR'000</i> |
| Consolidated statement of income items: | | | | | | |
| Income from financing activities | 2,954 | 26,746 | 46,510 | 5,639 | 37,914 | 39,246 |
| Profit paid on deposits | 704 | 10,996 | - | 269 | 4,800 | 287 |
| Fee and Commission | - | 1,300 | - | 229 | 1,711 | - |

Key management personnel compensation for the period comprised:

| | <i>For the six month period ended 30 June</i> | |
|-----------------------------|---|------------------------|
| | <i>2018 (Reviewed)</i> | <i>2017 (Reviewed)</i> |
| | <i>QAR'000</i> | <i>QAR'000</i> |
| Key management remuneration | 40,719 | 42,172 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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22. CAPITAL ADEQUACY RATIO

As per Qatar Central Bank regulations, the Group has calculated the capital ratios in accordance with Basel III guidelines. The Group's minimum QCB regulatory limit, including the Capital Conservation Buffer, ICAAP pillar II capital charge and the applicable Domestically Systemically Important Bank ("DSIB") Buffer is 14.25% for 2018.

The table below summarises the composition of prevailing regulatory capital and the ratios of the Group. The Group complied with the externally imposed capital requirements to which they are subject to:

| | <i>30 June 2018 QAR'000 (Reviewed)</i> | <i>31 December 2017 QAR'000 (Audited)</i> | <i>30 June 2017 QAR'000 (Reviewed)</i> |
|---|--|---|--|
| Common Equity Tier 1 (CET 1) Capital | 13,564,788 | 14,548,876 | 13,422,203 |
| Additional Tier 1 Capital | 4,000,000 | 4,000,000 | 4,000,000 |
| Other Tier 1 capital | 60,424 | 64,527 | 57,630 |
| Tier 2 capital | 1,317,897 | 440,829 | 429,068 |
| Total eligible capital | 18,943,109 | 19,054,232 | 17,908,901 |
| Risk weighted assets | 108,510,017 | 110,006,647 | 107,626,746 |
| Common equity tier 1 (CET 1) capital adequacy ratio* | 12.5% | 13.2% | 12.5% |
| QCB minimum | 9.25% | 9.0% | 9.0% |
| Total capital adequacy ratio* | 17.5% | 17.3% | 16.6% |
| QCB minimum including ICAAP pillar II capital charge | 14.25% | 14.0% | 14.0% |

*Had the Group not early adopted FAS 30, total capital adequacy ratio and common equity tier 1 (CET 1) capital adequacy ratio would have been as follows:

| | <i>30 June 2018</i> |
|---|-------------------------|
| Common equity tier 1 (CET 1) ratio | 13.4% |
| Total capital adequacy ratio | 17.5% |

23. COMPARATIVE FIGURES

Certain figures have been reclassified where necessary to preserve consistency with the presentation in the current period. However, such reclassifications did not have any effect on the condensed consolidated income statement or the total consolidated equity for the comparative period/year.