CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

QATAR FIRST BANK L.L.C (Public)

31 March 2019

CONTENTS

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF QATAR FIRST BANK L.L.C (PUBLIC)

Introduction

We have reviewed the accompanying 31 March 2019 condensed consolidated interim financial statements of Qatar First Bank L.L.C (Public) ('the Bank') and its subsidiaries (together referred to as the 'Group'), which comprise:

- the condensed consolidated statement of financial position as at 31 March 2019;
- the condensed consolidated income statement for the three-month period ended 31 March 2019;
- the condensed consolidated statement of changes in equity for the three-month period ended 31 March 2019;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 2019; and
- 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 ('FAS') issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ('AAOIFI'). 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 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 31 March 2019 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with FAS issued by AAOIFI.

24 April 2019
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Auditor's Registration No. 251
Licensed by QFMA: External
Auditor's License No. 120153

31 March 2019 (expressed in QAR'000)

	Notes	31 March 2019 (Reviewed)	31 December 2018 (Audited)
ASSETS			
Cash and cash equivalents		319,705	237,697
Investments carried at amortised cost	4	152,138	150,801
Financing assets	5	1,466,427	1,479,789
Accounts receivable		26,617	24,230
Inventories		39,521	39,532
Equity investments	6	413,295	409,320
Fixed assets		130,815	132,973
Intangible assets		9,973	10,802
Assets held-for-sale	7	698,726	731,410
Other assets		58,929	42,421
TOTAL ASSETS		3,316,146	3,258,975
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS AND EQUITY			
Liabilities			
Financing liabilities	8	225,621	410,227
Customers' balances		210,254	47,853
Liabilities held-for-sale	7	432,404	431,336
Other liabilities		101,263	87,120
Total Liabilities		969,542	976,536
Equity of Unrestricted Investment Account Holders	9	1,202,393	1,158,571
Equity			
Share capital	10	2,000,000	2,000,000
Accumulated losses		(995,276)	(998,459)
Total Equity Attributable to Shareholders of the Bank		1,004,724	1,001,541
Non-controlling interest		139,487	122,327
Total Equity		1,144,211	1,123,868
TOTAL LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS AND EQUITY		3,316,146	3,258,975

These condensed consolidated interim financial statements were authorised for issuance by the Board of Directors on 24 April 2019 and signed on its behalf by:

Chairman

Chief Executive Officer

The attached notes 1 to 20 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the three-month period ended 31 March 2019 (expressed in QAR'000)

QFB

	Notes	For the three-month period ended 31 March 2019 (Reviewed)	31 March 2018 (Restated)
CONTINUING OPERATIONS			
INCOME			
Revenue from non-banking activities	11	25,505	24,916
Income from financing assets		24,055	20,257
Fee income		14,433	6,470
Gain on re-measurement of investments at fair value through income statement		3,975	264
Profit on investments carried at amortised cost		2,367	1,776
Income from placements with financial institutions		729	6,204
Gain on disposal of investments carried at amortised cost		-	362
Loss on disposal of equity investments	7.2	(805)	-
Other loss, net		(568)	(9,579)
Total Income Before Return To Unrestricted Investment Account Holders		69,691	50,670
Return to unrestricted investment account holders		(12,186)	(17,036)
TOTAL INCOME		57,505	33,634
EXPENSES			
Expenses from non-banking activities	11	(24,999)	(24,002)
Staff costs		(12,267)	(12,515)
Other operating expenses		(8,700)	(9,440)
Financing costs		(3,850)	(5,338)
Depreciation and amortisation		(2,188)	(2,413)
TOTAL EXPENSES		(52,004)	(53,708)
Recovery of / (provision for) impairment on financing assets, net	16	877	(26,364)
(Provision for) / recovery of impairment on other financial assets, net	16	(6,429)	2,073
NET LOSS BEFORE INCOME TAX		(51)	(44,365)
Income tax expense		-	-
NET LOSS FROM CONTINUING OPERATIONS		(51)	(44,365)
DISCONTINUED OPERATIONS			
Profit / (loss) from discontinued operations, net of tax		6,048	(8,984)
NET PROFIT / (LOSS) FOR THE PERIOD		5,997	(53,349)
Attributable to:			
Equity holders of the Bank		3,183	(47,144)
Non-controlling interest		2,814	(6,205)
		5,997	(53,349)
Basic / diluted earnings / (loss) per share –QAR		0.02	(0.24)

The attached notes 1 to 20 form an integral part of these condensed consolidated interim financial statements.

For the three-month period ended 31 March 2019 (expressed in QAR'000)

	Share capital	Accumula-ted losses	Total equity attributable to equity holders of the Bank	Non-controlling interests	Total equity
Balance at 1 January 2018 (Audited)	2,000,000	(470,014)	1,529,986	166,885	1,696,871
Impact of early adoption of FAS 30	-	(46,540)	(46,540)	(2,319)	(48,859)
Balance at 1 January 2018 (Restated)	2,000,000	(516,554)	1,483,446	164,566	1,648,012
Net loss for the period (Restated)	-	(47,144)	(47,144)	(6,205)	(53,349)
Net change in non-controlling interests due to:					
- Real Estate Structures	-	-	-	(55,936)	(55,936)
Balance at 31 March 2018 (Restated)	2,000,000	(563,698)	1,436,302	102,425	1,538,727
Balance at 1 January 2019 (Audited)	2,000,000	(998,459)	1,001,541	122,327	1,123,868
Net profit for the period (Reviewed)	-	3,183	3,183	2,814	5,997
Net change in non-controlling interests due to:					
- Real Estate Structures*	-	-	-	14,346	14,346
Balance at 31 March 2019 (Reviewed)	2,000,000	(995,276)	1,004,724	139,487	1,144,211

**Mainly represents partial sale of UK real estate and US real estate structures during the period. Refer to Note 7.1.*

The attached notes 1 to 20 form an integral part of these condensed consolidated interim financial statements.

For the three-month period ended 31 March 2019 (expressed in QAR'000)

	Notes	31 March 2019 (Reviewed)	31 March 2018 (Restated)
OPERATING ACTIVITIES			
Net profit / (loss) for the period		5,997	(53,349)
Adjustments for non-cash items			-
Depreciation and amortisation		3,675	6,874
Unrealised gain on equity investments		(3,975)	(264)
Unrealised loss / (profit) on Sharia-compliant risk management instruments, net		3,568	(1,653)
(Recovery of) / provision for impairment on financing assets, net	*16*	(877)	26,364
Provision for /(recovery of) impairment on other financial assets		6,429	(2,073)
		14,817	(24,101)
Changes in:			
Due from banks		-	189,654
Investments carried at amortised cost		(1,506)	36,523
Financing assets		14,239	15,195
Accounts receivable		(2,387)	(11,923)
Inventories		15	(4,684)
Investments in real estate		-	3,368
Assets held-for-sale		32,684	275,057
Other assets		(16,508)	(14,669)
Customers' balances		162,401	(65,512)
Liabilities held-for-sale		1,068	(136,684)
Other liabilities		4,311	(19,637)
Net cash from operating activities		209,134	242,587
INVESTING ACTIVITY			
Purchase of fixed and intangible assets		(688)	(3,925)
Net cash used in investing activity		(688)	(3,925)
FINANCING ACTIVITIES			
Net change in financing liabilities		(184,606)	(32,246)
Net change in equity of unrestricted investment account holders		43,822	213,839
Net change in non-controlling interest		14,346	(55,936)
Net cash (used in) / from financing activities		(126,438)	125,657
Net increase in cash and cash equivalents		82,008	364,319
Cash and cash equivalents at the beginning of the period		237,697	372,029
Cash and cash equivalents at the end of the period		319,705	736,348

The attached notes 1 to 20 form an integral part of these condensed consolidated interim financial statements.

As at and for the three-month period ended 31 March 2019 (expressed in QAR'000)

1. REPORTING ENTITY

Qatar First Bank L.L.C (Public) ("the Bank" or "the Parent") is an Islamic bank, which was established in the State of Qatar as a limited liability company under license No.00091, dated 4 September 2008, from the Qatar Financial Centre Authority. The Bank is authorised to conduct the following regulated activities by the Qatar Financial Centre Regulatory Authority (the "QFCRA"):

- Deposit taking;
- Providing credit facilities;
- Dealing in investments;
- Arranging deals in investments;
- Arranging credit facilities;
- Providing custody services;
- Arranging the provision of custody services;
- Managing investments;
- Advising on investments; and
- Operating a collective investment fund.

All the Bank's activities are regulated by the QFCRA and are conducted in accordance with Islamic Shari'a principles, as determined by the Shari'a Supervisory Board of the Bank and in accordance with the provisions of its Articles of Association. The Bank operates through its head office located on Suhaim bin Hamad Street, Doha, State of Qatar.

The Bank's issued shares are listed for trading on the Qatar Exchange effective from 27 April 2016 (ticker: "QFBQ").

The condensed consolidated interim financial statements of the Bank for the three-month period ended 31 March 2019 comprise of the Bank's and its subsidiaries' (together referred to as "the Group" and individually as "Group entities") results. The Parent Company / Ultimate Controlling Party of the Group is Qatar First Bank L.L.C (Public).

The Bank had the following subsidiaries as at 31 March 2019 and 31 December 2018:

Subsidiaries	Activity	Effective ownership as 31 March 2019	31 December 2018	Year of incorporation	Country
Future Card Industries LLC	Manufacturing	**71.3%**	71.3%	2012	UAE
Isnad Catering Services WLL	Catering	**75.0%**	75.0%	2012	Qatar
QFB Money Market Fund 1 Ltd.	Money market fund	**100.0%**	100.0%	2015	Cayman Islands
Astor Properties Finance Limited.*	Financing	**28.7%**	32.1%	2017	Jersey
Astor Properties Holdings Limited.*	Holding company	**28.7%**	32.1%	2017	Jersey
Umm Slal for Accommodation LLC	Construction	**70.0%**	70.0%	2017	Qatar
Kennedy Flats Property Corp.**	Owning and leasing real estate	**47.8%**	60.0%	2018	USA
LEI-BFQ Kennedy Flats LLC.**	Leasing real estate	**47.8%**	60.0%	2018	USA

**Mainly represents partial sale of UK real estate during the period. Refer to Note 7.1.*
***Mainly represents partial sale of US real estate during the period. Refer to Note 7.1.*

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements of the Group have been prepared in accordance with Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI"). 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 2018. In addition, results for the three-month period ended 31 March 2019 are not necessarily indicative of results that may be expected for the financial year ending 31 December 2019.

The condensed consolidated interim financial statements have been prepared under the historical cost convention except for valuation of equity investments and Sharia-compliant-risk management instruments which are carried at fair value.

The condensed consolidated interim financial statements are presented in Qatari Riyals ("QAR"), which is the Bank's functional and presentational currency, and all values are rounded to the nearest QAR thousand except when otherwise indicated. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Judgement and estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are consistent with those applied to the annual consolidated financial statements as at 31 December 2018.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2018.

3.1. New standards, amendments and interpretations

3.1.1. New accounting standards, amendments and interpretations that are issued and effective from 1 January 2019

- *FAS 28 "Murabaha and other deferred payment sales"*

As at and for the three-month period ended 31 March 2019 (expressed in QAR'000)

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

The objective of this standard is to prescribe the appropriate accounting and reporting principles for recognition, measurement and disclosures to apply in relation to Murabaha and other deferred payment sales transactions for the sellers and buyers for such transactions. This standard supersedes the earlier FAS No. 2 "Murabaha and Murabaha to the Purchase Orderer" and FAS No. 20 "Deferred Payment Sale". This standard applies to accounting for Murabaha and other deferred payment sales transaction carried out under Shari'ah principles, excluding Tawarruq and commodity murabaha transactions. The adoption of this standard did not materially impact on Group's financial statements.

3.1.2. New standards, amendments and interpretations issued but not yet effective and not early adopted

- *FAS 31 "Investment Agency (Al-Wakala Bi Al-Istithmar)"*
- *FAS 33 "Investments in Sukuk, shares and similar instruments"*
- *FAS 34 "Financial reporting for sukuk-holders"*

The management is assessing the impact of adoption of above standards on Group's consolidated financial statements.

4. INVESTMENTS CARRIED AT AMORTISED COST

	Notes	31 March 2019 (Reviewed)	31 December 2018 (Audited)
Investments in sukuk		165,620	165,620
Accrued income		2,570	1,124
Unamortised discounts, net		(795)	(855)
Provision for impairment	*16*	(15,257)	(15,088)
		152,138	150,801

5. FINANCING ASSETS

	Notes	31 March 2019 (Reviewed)	31 December 2018 (Audited)
Murabaha financing		1,572,835	1,593,533
Ijarah receivable		6,519	12,980
Deferred investment sales		218,400	218,400
Others		182	-
Total financing assets		1,797,936	1,824,913
Deferred profit		(186,228)	(198,966)
Provision for impairment on financing assets	*16*	(145,281)	(146,158)
Net financing assets		1,466,427	1,479,789

As at and for the three-month period ended 31 March 2019 (expressed in QAR'000)

6. EQUITY INVESTMENTS

	31 March 2019 (Reviewed)	31 December 2018 (Audited)
Investments at fair value through equity	31,195	31,195
Investments at fair value through income statement*	382,100	378,125
	413,295	409,320

*Gain on remeasurement of investments at fair value through income statement for the three-month period ended 31 March 2019 was a gain of QAR 3.9 million (for the three-month period ended 31 March 2018: a gain of QAR 0.3 million), mainly due to foreign exchange revaluations.

7. ASSETS AND LIABILITIES HELD-FOR-SALE

Assets and liabilities held –for-sale comprise of:

	Notes	31 March 2019	31 December 2018
Assets of disposal groups classified as held-for-sale	*7.1*	638,806	632,906
Equity investments held-for-sale	*7.2*	59,920	98,504
Total		698,726	731,410
Liabilities of disposal group classified as held-for-sale	*7.1*	432,404	431,336

7.1. Assets and liabilities of disposal groups classified as held-for-sale

7.1.1. Assets and liabilities of Real Estate Structures

(a) US Real Estate Structures
During the period, the Bank sold an additional 12.2% stake in the Kennedy flats to its investors resulting in an increase of non-controlling interest by QAR 12.9 million.

(b) UK Real Estate Structures
During the period, the Bank sold an additional 3.4% stake in the UK real estate structure to its investors resulting in an increase of non-controlling interest by QAR 3 million. During the period, non-controlling interest received a dividend of QAR 1.6 million.

The assets with a carrying value of QAR 599.3 million and liabilities of QAR 390.1 million related to real estate structures have been recorded on the Bank's condensed consolidated statement of financial position, as held-for-sale, and the profit thereof amounting QAR 5.8 million has been presented in the condensed consolidated income statement as "discontinued operation".

7.1.2. Assets and liabilities of subsidiaries held-for-sale

(a) Assets and liabilities of subsidiary disposed during the 2018
In December 2018, the Bank sold one of its subsidiaries. Therefore, the comparative condensed consolidated income statement is re-presented as if the operation had been discontinued from the start of the comparative period (refer to Note 19.2).

As at and for the three-month period ended 31 March 2019 (expressed in QAR'000)

7 ASSETS AND LIABILITIES HELD-FOR-SALE (Continued)

(b) Assets and liabilities of a subsidiary being disposed

The Bank is actively pursuing selling one of its subsidiaries. As a consequence of the high probability of an exit which is expected to take place within the next 12 months, the assets of QAR 39.5 million and liabilities of QAR 42.3 million related to the subsidiary have been presented in the condensed consolidated statement of financial position as "held-for-sale" and the profit thereof amounting to QAR 0.2 million has been presented in the condensed consolidated income statement as "discontinued operation" as they represent a separate major line of business. The comparative condensed consolidated income statement is re-presented as if the operation had been discontinued from the start of the comparative period (refer to Note 19.2).

7.2. Equity investments held-for-sale

The Bank has classified and presented equity investment in English Home having a fair value of QAR 59.9 million under assets held-for-sale. The sale is subject to conditions precedent and is expected to take place within the next 12 months.

An equity investment of QAR 38.7 million, that was actively pursued to be sold as at 31 December 2018, was disposed off for QAR 37.9 million during the period and consequently a loss of QAR 0.8 million was recognised during the period.

8. FINANCING LIABILITIES

	31 March 2019 (Reviewed)	31 December 2018 (Audited)
Accepted wakala deposits	-	168,012
Murabaha financing	225,621	242,215
	225,621	410,227

As at 31 March 2019, investments in sukuk of QAR 152.1 million (31 December 2018: QAR 151 million), equity investments of QAR 33.4 million (31 December 2018: QAR 33.4 million) and assets held-for-sale of QAR 59.9 million (31 December 2018: QAR 59.9 million) were pledged against certain murabaha financing liabilities.

As at 31 March 2019, the Group breached certain debt covenants stipulated in their financing liabilities contracts, the carrying value of which amounted to QAR 117.6 million. The Bank has been re-negotiating the terms with the counterparty. Although the revised terms have not yet been signed, the principal terms have been agreed.

As at and for the three-month period ended 31 March 2019 (expressed in QAR'000)

9. EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS

	31 March 2019 (Reviewed)	31 December 2018 (Audited)
Term accounts	1,194,969	1,151,249
Profit payable to unrestricted equity of investment account holders	7,424	7,322
	1,202,393	1,158,571

10. SHARE CAPITAL

	31 March 2019 (Reviewed)	31 December 2018 (Audited)
Authorized		
250,000,000 ordinary shares (2018: 250,000,000 ordinary shares) of QAR 10 each	2,500,000	2,500,000
Issued and paid		
200,000,000 ordinary shares (2018: 200,000,000 ordinary shares) of QAR 10 each	2,000,000	2,000,000

As disclosed in Note 20, at the Extraordinary General meeting of the Bank, the Bank's shareholders approved a reduction of authorized and issued share capital.

11. REVENUE AND EXPENSES FROM NON-BANKING ACTIVITIES

	31 March 2019 (Reviewed)	31 March 2018 (Restated)
Sales	25,796	24,734
Other (loss) / income	(291)	182
Revenue from non-banking activities	25,505	24,916
Cost of sales	(19,882)	(19,071)
Other expenses	(5,117)	(4,931)
Expenses from non-banking activities	(24,999)	(24,002)
Net profit from non-banking activities	506	914

As at and for the three-month period ended 31 March 2019 (expressed in QAR'000)

12. BASIC / DILUTED EARNINGS / (LOSS) PER SHARE

The calculation of basic earnings / (loss) per share is based on the net loss attributable to the Bank's shareholders and the weighted average number of shares outstanding during the period:

	31 March 2019 (Reviewed)	31 March 2018 (Restated)
Basic earnings / (loss) per share		
Net earnings / (loss) attributable to the equity holders of the Bank	3,183	(47,144)
Total weighted average number of shares	200,000	200,000
Basic earnings / (loss) per share (QAR)	0.02	(0.24)

Since there is no dilutive impact, basic profit / (loss) per share equal the dilutive profit / (loss) per share.

13. CONTINGENT LIABILITIES

The Group had the following contingent liabilities at the period / year end:

	31 March 2019 (Reviewed)	31 December 2018 (Audited)
Letters of guarantee	730,024	730,024
Unutilised credit facilities	88,713	90,307
	818,737	820,331

Contingent liabilities related to Sharia-compliant-risk-management instruments, representing notional amounts, amounted to QAR 845 million (31 December 2018: QAR 861.2 million).

14. COMMITMENTS

	31 March 2019 (Reviewed)	31 December 2018 (Audited)
Commitment for operating lease		
No later than one year	22,500	22,500
Later than one year	11,250	22,500
	33,750	45,000

As at and for the three-month period ended 31 March 2019 (expressed in QAR'000)

15. RELATED PARTIES TRANSACTIONS AND BALANCES

Balances and transactions in respect of related parties included in the financial statements are as follows:

	31 March 2019 (Reviewed)		
	Affiliated entities/ directors	Associates	Total
a) Condensed consolidated statement of financial position			
Financing assets	7,867	54,630	62,497
Other assets	252	3,683	3,935
Customers' balances	5	-	5
Other liabilities	-	13,723	13,723
b) Condensed consolidated income statement			
Income from financing assets	179	1,348	1,527

The balances of related parties as at 31 December 2018 are as follows:

	31 December 2018 (Audited)		
	Affiliated entities/ directors	Associates	Total
a) Condensed consolidated statement of financial position			
Financing assets	7,688	60,885	68,573
Other assets	437	3,683	4,120
Customers' balances	5	-	5
Other liabilities	-	13,723	13,723

Transactions with related parties for the corresponding period of three-month period ended 31 March 2018 are as follows:

	31 March 2018 (Reviewed)		
	Affiliated entities/ directors	Associates	Total
b) Condensed consolidated income statement			
Income from financing assets	164	2,117	2,281

Key management compensation is presented below:

	31 March 2019	31 March 2018
c) Compensation of key management personnel	(Reviewed)	(Restated)
Senior management personnel	3,396	2,580
Shari'a Supervisory Board remuneration	141	120
	3,537	2,700

As at and for the three-month period ended 31 March 2019 (expressed in QAR'000)

16. FINANCIAL RISK MANAGEMENT

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements; they should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2018.

Exposures

	31 March 2019				31 December 2018
	Stage 1	Stage 2	Stage 3	Total	Total
Cash and cash equivalents	319,840	-	-	319,840	237,837
Investments carried at amortised cost	45,638	121,757	-	167,395	150,801
Financing assets	774,519	651,304	185,885	1,611,708	1,625,070
Accounts receivable	-	29,453	-	29,453	27,037
Off balance sheet credit exposures	780,083	29,832	8,822	818,737	820,331
Total	1,920,080	832,346	194,707	2,947,133	2,861,076

Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instruments. Comparative amounts represent allowance account for credit losses and reflect measurement basis under relevant FAS:

	31 March 2019				31 March 2018
	Stage 1	Stage 2	Stage 3	Total	Total (Restated)
Cash and cash equivalents					
Balance at 1 January	140	-	-	140	-
Impact of initial application	-	-	-	-	90
	140	-	-	140	90
Impairment allowance	(5)	-	-	(5)	(82)
Balance at 31 March	135	-	-	135	8
Due from banks					
Balance at 1 January	-	-	-	-	-
Impact of initial application	-	-	-	-	25
	-	-	-	-	25
Impairment allowance	-	-	-	-	118
Balance at 31 March	-	-	-	-	143
Investments carried at amortised cost					
Balance at 1 January	29	15,059	-	15,088	-
Impact of initial application	-	-	-	-	295
	29	15,059	-	15,088	295
Transfers to Stage 2	-	-	-	-	-
Impairment allowance	-	169	-	169	(3)
Balance at 31 March	29	15,228	-	15,257	292

As at and for the three-month period ended 31 March 2019 (expressed in QAR'000)

16 FINANCIAL RISK MANAGEMENT (Continued)

	31 March 2019				31 March 2018
	Stage 1	Stage 2	Stage 3	Total	Total
Financing assets					(Restated)
Balance at 1 January	3,540	30,890	111,728	146,158	70,577
Impact of initial application	-	-	-	-	30,325
	3,540	30,890	111,728	146,158	100,902
Impairment allowance	(222)	737	(1,392)	(877)	26,364
Balance at 31 March	3,318	31,627	110,336	145,281	127,266
Off balance sheet instruments, subject to credit risk					
Balance at 1 January	2,202	1,255	416	3,873	-
Impact of initial application	-	-	-	-	5,513
	2,202	1,255	416	3,873	5,513
Impairment allowance	318	-	5,947	6,265	(2,106)
Balance at 31 March	2,520	1,255	6,363	10,138	3,407

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

Set out below is a comparison of the carrying amounts and fair values of financial instruments:

		31 March 2019 (Reviewed)	
Financial Assets:	*Notes*	Carrying Amount	Fair Value
Cash and cash equivalents		319,705	319,705
Investments carried at amortised cost	*4*	152,138	152,046
Financing assets	*5*	1,466,427	1,466,427
Accounts receivable		26,617	26,617
Equity investments	*6*	413,295	413,295
Financial assets held-for-sale	*7*	117,537	117,537
Other financial assets		47,489	47,489
		2,543,208	2,543,116
Financial Liabilities:			
Financing liabilities	*8*	225,621	225,621
Customers' balances		210,254	210,254
Financial liabilities held-for-sale	*7*	432,404	432,404
Other financial liabilities		101,263	101,263
Equity of unrestricted investment account holders	*9*	1,202,393	1,202,393
		2,171,935	2,171,935

As at and for the three-month period ended 31 March 2019 (expressed in QAR'000)

17. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

	Notes	31 December 2018 (Audited) Carrying Amount	Fair Value
Financial Assets:			
Cash and cash equivalents		237,697	237,697
Investments carried at amortised cost	4	150,801	146,396
Financing assets	5	1,479,789	1,479,789
Accounts receivable		24,230	24,230
Equity investments	6	409,320	409,320
Financial assets held-for-sale		113,485	113,485
Other financial assets		39,080	39,080
		2,454,402	2,449,997
Financial Liabilities:			
Financing liabilities	8	410,227	410,227
Customers' balances		47,853	47,853
Financial liabilities held-for-sale		431,336	431,336
Other liabilities		83,631	83,631
Equity of unrestricted investment account holders	9	1,158,571	1,158,571
		2,131,618	2,131,618

17.1. Fair value hierarchy

Fair value measurements are analysed by level in the fair value hierarchy as follows:

	Note	Level 1	Level 2	Level 3	Total
31 March 2019 (Reviewed)					
Equity investments					
- at fair value through equity	6	-	-	31,195	31,195
- at fair value through income statement	6	2,645	-	379,455	382,100
Net gains and losses, recognised through condensed consolidated income statement		210	-	3,765	3,975

	Note	Level 1	Level 2	Level 3	Total
31 December 2018 (Audited)					
Equity investments					
- at fair value through equity	6	-	-	31,195	31,195
- at fair value through income statement	6	2,435	-	375,690	378,125
31 March 2018 (Reviewed)					
Net gains and losses, recognised through condensed consolidated income statement		(15)	-	279	264

Sharia-compliant-risk management instruments for which fair value amounts to QAR 19.9 million (31 December 2018: QAR 23.2 million) is derived using Level 2 fair value hierarchy. The valuation techniques and key assumptions have remained consistent with those disclosed in the annual consolidated financial statements as at and for the year ended 31 December 2018.

As at and for the three-month period ended 31 March 2019 (expressed in QAR'000)

18. SEGMENT INFORMATION

Below is the information about operating segments:

	31 March 2019 (Reviewed)		31 March 2018 (Restated)	
	Segment income	Segment profit / (loss)	Segment income	Segment profit / (loss)
Alternative Investments	43,303	7,412	27,297	(16,131)
Private Bank	12,058	10,988	4,021	(25,229)
Other	2,144	(12,403)	2,316	(11,989)
Total	57,505	5,997	33,634	(53,349)

19. COMPARATIVE FIGURES

19.1. FAS 30

The comparatives for the three-month period ended 31 March 2018 have been restated due to the early adoption of FAS 30 in the second quarter of 2018. The condensed consolidated interim financial statements as at and for the three-month period ended 31 March 2018 were issued as per the previously applicable accounting standards FAS 11. Below are the revised results for the three-month period ended 31 March 2018 under FAS 30 highlighting the changes in the line items of the previously issued financial statements:

	As previously reported	Adjustments	As restated
Provision for impairment on financing assets, net of recoveries	(5,787)	(20,577)	(26,364)
Provision for impairment on other financial assets	-	2,073	2,073
Net impact	(5,787)	(18,504)	(24,291)

19.2. Discontinued operations

As stated in Note 7.1.2, the comparative figures presented have been reclassified due to subsidiaries either disposed during 2018 or are being actively pursued to be sold. The impact of reclassification for the three-month period ended 31 March 2018 is presented below:

	As previously reported	Reclassi-fication	As reclassified
Revenue from non-banking activities	83,652	(58,736)	24,916
Expenses from non-banking activities	(94,151)	70,149	(24,002)
Gain / (loss) from discontinued operations, net of tax	2,429	(11,413)	(8,984)

19 COMPARATIVE FIGURES (Continued)

19.3. Other reclassifications

The comparative figures presented have been reclassified where necessary to preserve consistency with the current period figures. However, other reclassifications did not have any effect on the consolidated net profit or the total consolidated equity for the comparative period.

20. SUBSEQUENT EVENTS

At the Extraordinary General Meeting of the Bank held on 22 April 2019, shareholders of the Bank approved to reduce authorised and issued share capital by 50% to QAR 1,250,000,000 and QAR 1,000,000,000, respectively in an effort to meet listing requirements.

Furthermore, shareholders, in the same meeting, approved the par value of the ordinary share to be QAR 1 instead of QAR 10 in line with the stock split directives issued by Qatar Financial Markets Authority and amendment of the related Articles of Association. The stock split has not yet been implemented pending completion of certain legal formalities, as at the end of the reporting period.