

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

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION**

**30 September 2022**

**Qatar International Islamic Bank (Q.P.S.C.)**  
Interim condensed consolidated financial information

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## *Review report on the interim condensed consolidated financial information to the board of directors of Qatar International Islamic Bank Q.P.S.C.*

### *Introduction*

We have reviewed the accompanying interim consolidated statement of financial position of Qatar International Islamic Bank Q.P.S.C. (the “Parent”) and its subsidiaries (together “the Group”) as at 30 September 2022 and the related interim consolidated statement of income for the three-month and nine-month periods then ended, and the interim consolidated statements of changes in equity and cash flows for the nine-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as modified by Qatar Central Bank (“QCB”). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

### *Scope of review*

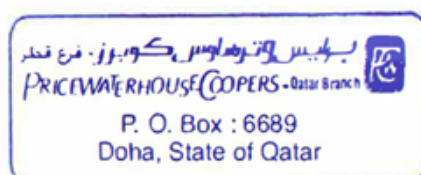
We conducted our review in accordance with International Standard on Review Engagements 2410, ‘Review of interim financial information performed by the independent auditor of the entity’. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with Financial Accounting Standards issued by AAOIFI as modified by QCB.

For and on behalf of PricewaterhouseCoopers - Qatar Branch  
Qatar Financial Market Authority registration number 120155

Waleed Tahtamouni  
Auditor's registration number 370  
Doha, State of Qatar  
26 October 2022




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


**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 September 2022

		<b>30 September 2022 (Reviewed) QR'000</b>	<b>31 December 2021 (Audited) QR'000</b>	<b>30 September 2021 (Reviewed) QR'000</b>
	<b>Notes</b>			
<b>ASSETS</b>				
Cash and balances with Qatar Central Bank		2,374,841	2,669,960	2,883,294
Due from banks	5	11,652,241	13,426,336	10,457,102
Financing assets	6	35,179,538	37,030,881	37,358,112
Investment securities	7	7,127,388	7,220,147	6,678,375
Investment in associates		236,535	263,972	275,118
Investment properties		676,192	697,452	703,273
Fixed assets		221,130	231,371	233,712
Intangible assets		34,444	42,293	38,637
Other assets		206,715	209,583	213,927
<b>TOTAL ASSETS</b>		<b>57,709,024</b>	<b>61,791,995</b>	<b>58,841,550</b>
<b>LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND EQUITY</b>				
<b>LIABILITIES</b>				
Due to banks and financial institutions	8	8,118,288	9,921,549	7,388,200
Customers' current accounts		8,228,057	7,428,188	8,093,054
Sukuk financing	9	2,770,259	3,542,822	2,548,313
Other liabilities		872,747	978,945	999,631
<b>TOTAL LIABILITIES</b>		<b>19,989,351</b>	<b>21,871,504</b>	<b>19,029,198</b>
<b>EQUITY OF INVESTMENT ACCOUNT HOLDERS</b>				
	10	<b>28,790,467</b>	<b>31,217,681</b>	<b>31,248,809</b>
<b>EQUITY</b>				
Share capital	11	1,513,687	1,513,687	1,513,687
Legal reserve	12	2,452,360	2,452,360	2,452,360
Risk reserve	13	803,726	803,726	750,831
Fair value reserve		3,027	2,767	1,921
Other reserves	14	79,133	79,588	79,049
Retained earnings		1,984,823	1,758,232	1,673,245
<b>TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE BANK</b>		<b>6,836,756</b>	<b>6,610,360</b>	<b>6,471,093</b>
Sukuk eligible as additional capital	16	2,092,450	2,092,450	2,092,450
<b>TOTAL EQUITY</b>		<b>8,929,206</b>	<b>8,702,810</b>	<b>8,563,543</b>
<b>TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND EQUITY</b>		<b>57,709,024</b>	<b>61,791,995</b>	<b>58,841,550</b>

The interim condensed consolidated financial information was approved by the Board of Directors on 26 October 2022 and was signed on its behalf by:

  
Dr. Khalid bin Thani bin Abdullah Al Thani  
Chairman

  
Dr. Abdulbasit Ahmad Abdulrahman Al Shaibei  
Chief Executive Officer

The attached notes 1 to 23 form part of this interim condensed consolidated financial information. Independent auditor's review report is set out on page 1



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

**INTERIM CONSOLIDATED STATEMENT OF INCOME**

For the three and nine-month period ended 30 September 2022

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2022 (Reviewed) QR'000	2021 (Reviewed) QR'000	2022 (Reviewed) QR'000	2021 (Reviewed) QR'000
Note				
Income from financing activities	453,486	444,290	1,301,744	1,394,163
Net income from investing activities	141,830	77,810	337,678	266,310
<b>Total income from financing and investing activities, net</b>	<b>595,316</b>	<b>522,100</b>	<b>1,639,422</b>	<b>1,660,473</b>
Fee and commission income	108,895	79,599	293,390	220,225
Fee and commission expense	(29,617)	(22,339)	(67,729)	(49,210)
<b>Net fee and commission income</b>	<b>79,278</b>	<b>57,260</b>	<b>225,661</b>	<b>171,015</b>
Net foreign exchange gain	22,556	14,141	60,984	32,593
Net share of results of investment in associates	(5,447)	(6,679)	(17,575)	(13,271)
<b>TOTAL INCOME</b>	<b>691,703</b>	<b>586,822</b>	<b>1,908,492</b>	<b>1,850,810</b>
Staff costs	(42,179)	(40,308)	(120,977)	(122,042)
Depreciation of fixed assets and amortisation of intangible assets	(8,215)	(9,247)	(23,900)	(26,724)
Other expenses	(36,745)	(30,566)	(102,744)	(96,764)
Finance expense	(62,826)	(34,880)	(141,341)	(121,003)
<b>TOTAL EXPENSES</b>	<b>(149,965)</b>	<b>(115,001)</b>	<b>(388,962)</b>	<b>(366,533)</b>
Net impairment reversals / (losses) on due from banks	319	85	87	(119)
Net impairment (losses) / reversals on investment securities	(6,212)	691	(7,295)	498
Net impairment losses on financing assets	(51,356)	(37,085)	(171,420)	(177,489)
Impairment loss on investment in associate	-	-	-	(54,344)
Net impairment reversals on off balance sheet exposures subject to credit risk	1,764	2,636	8,408	3,113
<b>NET PROFIT FOR THE PERIOD BEFORE RETURN TO INVESTMENT ACCOUNT HOLDERS</b>	<b>486,253</b>	<b>438,148</b>	<b>1,349,310</b>	<b>1,255,936</b>
Investment account holders' share of profit	(155,336)	(142,209)	(447,284)	(416,093)
<b>NET PROFIT FOR THE PERIOD</b>	<b>330,917</b>	<b>295,939</b>	<b>902,026</b>	<b>839,843</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE (QR PER SHARE)</b>	<b>0.22</b>	<b>0.20</b>	<b>0.60</b>	<b>0.55</b>

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The attached notes 1 to 23 form part of this interim condensed consolidated financial information.  
Independent auditor's review report is set out on page 1

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

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the nine-month period ended 30 September 2022

							<i>Total equity attributable to shareholders of the Bank</i>	<i>Sukuk eligible as additional capital</i>	<i>Total equity</i>
	<i>Notes</i>	<i>Share capital QR'000</i>	<i>Legal reserve QR'000</i>	<i>Risk reserve QR'000</i>	<i>Fair value reserve QR'000</i>	<i>Other reserves QR'000</i>	<i>Retained earnings QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
<b>Balance at 1 January 2022 (Audited)</b>		<b>1,513,687</b>	<b>2,452,360</b>	<b>803,726</b>	<b>2,767</b>	<b>79,588</b>	<b>1,758,232</b>	<b>6,610,360</b>	<b>8,702,810</b>
Fair value reserve movement		-	-	-	260	-	-	260	260
Net profit for the period		-	-	-	-	-	902,026	902,026	902,026
<b>Total recognized income and expenses for the period</b>		-	-	-	260	-	902,026	902,286	902,286
Cash dividends paid to the shareholders	15	-	-	-	-	-	(567,633)	(567,633)	(567,633)
Dividend appropriation to Sukuk eligible as additional capital	16	-	-	-	-	-	(108,257)	(108,257)	(108,257)
Net movement in other reserves	14	-	-	-	-	(455)	455	-	-
<b>Balance at 30 September 2022 (Reviewed)</b>		<b>1,513,687</b>	<b>2,452,360</b>	<b>803,726</b>	<b>3,027</b>	<b>79,133</b>	<b>1,984,823</b>	<b>6,836,756</b>	<b>8,929,206</b>
<b>Balance at 1 January 2021 (Audited)</b>		<b>1,513,687</b>	<b>2,452,360</b>	<b>750,831</b>	<b>1,651</b>	<b>79,554</b>	<b>1,433,103</b>	<b>6,231,186</b>	<b>8,323,636</b>
Fair value reserve movement		-	-	-	270	-	-	270	270
Net profit for the period		-	-	-	-	-	839,843	839,843	839,843
<b>Total recognized income and expenses for the period</b>		-	-	-	270	-	839,843	840,113	840,113
Cash dividends paid to the shareholders	15	-	-	-	-	-	(491,950)	(491,950)	(491,950)
Dividend appropriation to Sukuk eligible as additional capital	16	-	-	-	-	-	(108,256)	(108,256)	(108,256)
Net movement in other reserves	14	-	-	-	-	(505)	505	-	-
<b>Balance at 30 September 2021 (Reviewed)</b>		<b>1,513,687</b>	<b>2,452,360</b>	<b>750,831</b>	<b>1,921</b>	<b>79,049</b>	<b>1,673,245</b>	<b>6,471,093</b>	<b>8,563,543</b>



The attached notes 1 to 23 form part of this interim condensed consolidated financial information.  
Independent auditor's review report is set out on page 1

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

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine-month period ended 30 September 2022

	For the nine-month period ended 30 September	
	2022 (Reviewed) QR'000	2021 (Reviewed) QR'000
Note		
<b>Cash flows from operating activities</b>		
Net profit for the period	902,026	839,843
Adjustments for:		
Net impairment losses on financing assets	171,420	177,489
Net impairment losses (reversals) on investment securities	7,295	(498)
Impairment loss on investment in associate	-	54,344
Net impairment reversal on off balance sheet exposures subject to credit risk	(8,408)	(3,113)
Net impairment (reversals) losses on due from banks	(87)	119
Foreign exchange loss on translation of investment in associate	9,322	1,268
Depreciation of fixed assets and amortisation of intangible assets	23,900	26,128
Depreciation of investment properties	21,851	21,591
Net gain on sale of investments securities	-	(28,094)
Dividends income	(1,195)	(1,580)
Net share of results of investment in associates	17,575	9,319
Fair value (gain) loss on investment security carried at fair value through income statement	(381)	240
Sukuk amortisation	6,253	2,610
Employees' end of service benefits	3,245	2,778
<b>Profit before changes in operating assets and liabilities</b>	<b>1,152,816</b>	<b>1,102,444</b>
<b>Working capital changes:</b>		
Cash reserve with Qatar Central Bank	114,834	(119,740)
Due from banks	(283,209)	(1,353,906)
Financing assets	1,679,923	2,978,305
Other assets	2,868	101,564
Due to banks and financial institutions	(1,803,261)	(5,740,292)
Customers' current accounts	799,869	107,849
Other liabilities	(121,038)	35,399
	<b>1,542,802</b>	<b>(2,888,377)</b>
Employees' end of service benefits paid	(4,379)	(1,899)
<b>Net cash flows generated from / (used in) operating activities</b>	<b>1,538,423</b>	<b>(2,890,276)</b>
<b>Cash flows from investing activities</b>		
Acquisition of investment securities	(623,388)	(1,582,196)
Proceeds from sale/redemption of investment securities	701,840	787,866
Acquisition of fixed assets	(1,596)	(6,890)
Acquisition of intangible assets	(4,214)	(13,837)
Acquisition of investment in properties	(591)	-
Dividends received from investment in associates	490	980
Dividend's income	1,195	1,580
<b>Net cash flows generated from / (used in) investing activities</b>	<b>73,736</b>	<b>(812,497)</b>
<b>Cash flows from financing activities</b>		
Dividend appropriation to Sukuk eligible as additional capital	(81,628)	(108,256)
Change in equity of investment account holders	(2,427,271)	2,881,685
Settlement of Sukuk financing	(772,563)	-
Cash dividends paid to shareholders	(568,373)	(488,288)
<b>Net cash flows (used in) / generated from financing activities</b>	<b>(3,849,835)</b>	<b>2,285,141</b>
Net decrease in cash and cash equivalents	(2,237,676)	(1,417,632)
Cash and cash equivalents at 1 January	6,184,968	5,414,972
<b>Cash and cash equivalents at 30 September</b>	<b>3,947,292</b>	<b>3,997,340</b>

The attached notes 1 to 23 form part of this interim condensed consolidated financial information.  
Independent auditor's review report is set out on page 1



# **Qatar International Islamic Bank (Q.P.S.C)**

## **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

For the nine-month period ended 30 September 2022

### **1 LEGAL STATUS AND PRINCIPAL ACTIVITIES**

Qatar International Islamic Bank (Q.P.S.C) (“QIIB” or “the Bank”) was incorporated under Amiri Decree No. 52 of 1990. The Bank operates through its head office located on Grand Hamad Street in Doha and 16 local branches. The Bank is listed and its shares are traded on the Qatar Stock Exchange.

The commercial registration number of the Bank is 13023. The address of the Bank’s registered office is Grand Hamad Street 2, Doha, State of Qatar, P.O. Box 664.

The interim condensed consolidated financial information includes the financial information of the Bank and its subsidiaries which are, QIIB Senior Sukuk Ltd and QIIB Tier 1 Sukuk Ltd, (special purpose entity (“SPE”)) (together the “Group”) after elimination of intercompany balances and transactions.

QIIB Senior Sukuk Ltd and QIIB Tier 1 Sukuk Ltd, were incorporated in the Cayman Islands as an exempted company with limited liability for sole purpose of Sukuk and Tier 1 Sukuk issuance, respectively, for the benefit of QIIB.

The Bank is engaged in banking, financing and investing activities in accordance with its Articles of Incorporation, Islamic Shari’a Rules and Principles as determined by the Shari’a Supervisory Board of the Group and regulations of Qatar Central Bank (QCB).

The reviewed interim condensed consolidated financial information of the Group for the period ended 30 September 2022 was authorized for issuance in accordance with a resolution of the Board of Directors on 26 October 2022.

### **2 BASIS OF PREPARATION**

#### **(a) Statement of compliance**

The interim condensed consolidated financial information has been prepared in accordance with Financial Accounting Standards (“FAS”) issued by the Accounting and Auditing Organization for Islamic Financial Institutions (“AAOIFI”) as modified by Qatar Central Bank (“QCB”).

The Group has adopted QCB circular no. 13/2020 dated 29 April 2020 (execution date) which modifies the requirements of FAS 33 “Investment in Sukuk, shares and similar instruments” and FAS 30 “Impairment, Credit Losses and Onerous Commitments”, and requires banks to follow International Financial Reporting Standards (IFRS) for repurchase agreements and for impairment of equity investments measured at fair value through equity. Accordingly, the Group has adopted the circular from the effective date and the changes to the accounting policies have been adopted prospectively by the group. Further, AAOIFI issued FAS 32 which was effective from 1 January 2021. QCB has not yet instructed Islamic Banks in Qatar to implement FAS 32. The Group is awaiting instructions from QCB in this regard, refer to note (2.d). 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 interim condensed consolidated financial information has been prepared in accordance with the guidance provided by International Accounting Standard 34 – ‘Interim Financial Reporting’.

The interim condensed consolidated financial information does 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 2021. The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2021 except for the adoption of new and amended standards as set out in note (2.d). In addition, results for the nine-month period ended 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.



**2 BASIS OF PREPARATION (CONTINUED)**

**(a) Statement of compliance (continued)**

The significant judgments made by management in applying the Group's accounting policies, the key sources of estimation uncertainty, and Group's financial risk management objectives and policies were the same as those that applied to the consolidated financial statements for the year ended 31 December 2021.

**(b) Basis of measurement**

The interim condensed consolidated financial information has been prepared on the historical cost basis except for the investment securities classified as Investments at fair value through equity and Investments at fair value through income statement.

**(c) Functional and presentation currency**

The interim condensed consolidated financial information are presented in Qatari Riyals ("QR"), which is the Group's functional and presentational currency. Except as otherwise indicated, financial information presented in the interim condensed consolidated financial information has been rounded to the nearest thousands.

**(d) New standards, amendments and interpretations effective from 1 January 2022**

*FAS 32 Ijara*

AAOIFI has issued FAS 32 in 2019. FAS 32 improves upon and supersedes FAS 8 - Ijarah and Ijarah Muntahia Bittamleek originally issued in 1997. This standard aims at setting out principles for the classification, recognition, measurement, presentation and disclosure of Ijarah type transactions including their different forms entered into by an institution, in both the capacities of lessor and lessee.

This standard is effective beginning 1 January 2021. Qatar Central Bank ("QCB") has issued a circular No. 0001291/2021 dated 11 April 2021, requesting Islamic banks in Qatar to perform an impact assessment for FAS 32 adoption on the Group's financial statements for the year ended 31 December 2021 and any relevant indicators and regulatory ratios. The Islamic Banks in Qatar are in the process of complying with the requirements of QCB. The implementation of the standard will be in line with the instructions of QCB.

The Group has performed an impact assessment during the period and has submitted to QCB. According to the impact assessment, the Group would have to recognized Right of Use Assets and Ijarah Liabilities of approximately QR 44 million on 31 December 2021. The impact on the income statement and cash flow statement is unlikely to be material to the operations of the Group.

QCB has not yet instructed Islamic Banks in Qatar to implement FAS 32. The Group is awaiting instructions from QCB in this regard

*FAS 38 "Wa'ad, Khiyar and Tahawwut"*

AAOIFI has issued FAS 38 "Wa'ad, Khiyar and Tahawwut" in 2020. The objective of this standard is to prescribe the accounting and reporting principles for recognition, measurement and disclosure in relation to Shari'ah compliant Wa'ad (promise), Khiyar (option) and Tahawwut (hedging) arrangements for Islamic financial institutions. In addition, this standard intends to provide accounting principles for the Tahawwut transactions which are normally based on Wa'ad or Khiyar, or a series or combination thereof.

The above standard did not have any material impact on the Group's interim condensed consolidated financial information, however it may result in additional disclosures at year end.

**2 BASIS OF PREPARATION (CONTINUED)**

**(e) New standards, amendments and interpretations issued but not effective from 1 January 2022**

Below certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2022 reporting periods and have not been early adopted by the Group. These standards are currently in process of being assessed by the management of the Group to consider any implication in the current or future reporting periods and on foreseeable future transactions.

*FAS 39 “Financial Reporting for Zakah”*

AAOIFI has FAS 39 “Financial Reporting for Zakah” in 2021. The objective of this standard is to establish the principles of financial reporting related to Zakah attributable to different stakeholders of an Islamic financial institution and provides guidance on two main categories of institutions namely “institutions obliged to pay Zakah” and “institutions not obliged to pay Zakah”.

This standard improves upon and supersedes FAS 9 on “Zakah” and aims at setting out the accounting treatment of Zakah in the books of the institutions, including the presentation and disclosure by an Islamic financial institution. The accounting and financial reporting requirements such as recognition, presentation and disclosure requirements of this standard shall apply to institutions that are obliged to pay Zakah on behalf of certain or all stakeholders. Institutions that are not obliged to pay Zakah shall apply the disclosure requirements of this standard for certain or all stakeholders, as relevant.

*FAS 1 (Revised 2021) “General presentation and disclosures in the financial statements”*

AAOIFI has issued FAS 1 (Revised 2021) “General presentation and disclosures in the financial statements” in 2021, which supersedes the earlier FAS 1 “General Presentation and Disclosures in the Financial Statements of Islamic Banks and Financial Institutions”. The objective of this standards is to align the accounting treatments and the reporting requirements for the Islamic financial institutions to the maximum possible extent with the generally accepted accounting principles without compromising the Shari’a requirements and nature of Islamic financial transactions and institutions.

These standards shall be effective for the financial periods beginning on or after 1 January 2023 with early adoption permitted.

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine-month period ended 30 September 2022

### 3 SEGMENT INFORMATION

The Group has three 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 Group Management Committee reviews internal management reports on monthly basis. The following summary describes the operations in each of the Group's reportable segments:

Corporate banking	Includes financings, deposits and other transactions and balances with corporate customers, government and semi government institutions and SME customers.
Personal banking	Includes financings, deposits and other transactions and balances with personal customers.
Treasury & Investments	Undertakes the Group's funding and centralised risk management activities through borrowings, issues of Sukuk, use of risk management instruments for risk management purposes and investing in liquid assets such as short-term deposits and corporate and government Sukuk.

Investments activities include the Group's trading and corporate finance activities.

Information regarding the results, assets and liabilities of each reportable segment is included below. Performance is measured based on segment profit, assets and liabilities growth, as included in the internal management reports that are reviewed by the Assets and Liabilities Committee (ALCO) committee. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments.

<i>Nine-month ended 30 September 2022 (Reviewed)</i>	<i>Corporate banking QR'000</i>	<i>Personal banking QR'000</i>	<i>Treasury &amp; Investments QR'000</i>	<i>Total QR'000</i>
External revenue:				
Total income from financing and investing activities, net	732,635	569,109	337,678	1,639,422
Net fee and commission income	122,807	102,854	-	225,661
Net foreign exchange gain	-	-	60,984	60,984
Net share of results of investment in associates	-	-	(17,575)	(17,575)
<b>Total segment income</b>	<b>855,442</b>	<b>671,963</b>	<b>381,087</b>	<b>1,908,492</b>
Net impairment reversal on due from banks	-	-	87	87
Net impairment losses on investments securities	-	-	(7,295)	(7,295)
Net impairment losses on financing assets	(159,843)	(11,577)	-	(171,420)
Net impairment reversal on off balance sheet exposures subject to credit risk	8,408	-	-	8,408
Finance expense / Investment account holders' share of profit	(190,196)	(257,088)	(141,341)	(588,625)
<b>Reportable segment net profit before non-segmented expenses</b>	<b>513,811</b>	<b>403,298</b>	<b>232,538</b>	<b>1,149,647</b>

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine-month period ended 30 September 2022

### 3 SEGMENT INFORMATION (CONTINUED)

<i>Nine-month ended 30 September 2021 (Reviewed)</i>	<i>Corporate banking QR'000</i>	<i>Personal banking QR'000</i>	<i>Treasury &amp; Investments QR'000</i>	<i>Total QR'000</i>
External revenue:				
Total income from financing and investing activities	812,874	581,286	266,313	1,660,473
Net fee and commission income	100,250	70,765	-	171,015
Net foreign exchange gain	-	-	32,593	32,593
Share of results of investments in associates	-	-	(13,271)	(13,271)
<b>Total segment income</b>	<b>913,124</b>	<b>652,051</b>	<b>285,635</b>	<b>1,850,810</b>
Net impairment losses on due from banks	-	-	(119)	(119)
Net impairment reversal on investments securities	-	-	498	498
Net impairment losses on financing assets	(139,248)	(38,241)	-	(177,489)
Net impairment losses on investment in associates	-	-	(54,344)	(54,344)
Net impairment reversal on off balance sheet exposures subject to credit risk	3,113	-	-	3,113
Finance expense / Investment account holders' share of profit	(164,506)	(251,587)	(121,003)	(537,096)
<b>Reportable segment net profit before non-segmented expenses</b>	<b>612,483</b>	<b>362,223</b>	<b>110,667</b>	<b>1,085,373</b>

	<i>Corporate banking QR'000</i>	<i>Personal banking QR'000</i>	<i>Treasury &amp; Investments QR'000</i>	<i>Total QR'000</i>
<i>30 September 2022 (Reviewed)</i>				
<b>Reportable segment assets</b>	<b>21,101,771</b>	<b>14,077,766</b>	<b>19,715,839</b>	<b>54,895,376</b>
<b>Reportable segment liabilities and equity of investment account holders</b>	<b>14,270,996</b>	<b>22,747,528</b>	<b>10,888,547</b>	<b>47,907,071</b>

	<i>Corporate banking QR'000</i>	<i>Personal banking QR'000</i>	<i>Treasury &amp; Investments QR'000</i>	<i>Total QR'000</i>
<i>31 December 2021 (Audited)</i>				
<b>Reportable segment assets</b>	<b>23,660,336</b>	<b>13,370,546</b>	<b>21,801,917</b>	<b>58,832,799</b>
<b>Reportable segment liabilities and equity of investment account holders</b>	<b>15,814,123</b>	<b>22,831,746</b>	<b>13,464,371</b>	<b>52,110,240</b>

The tables below provide reconciliation of reportable segment revenues, profit, assets, liabilities and equity of investment account holders:

	<i>For the nine-month period ended 30 September</i>	
	<i>2022 (Reviewed) QR'000</i>	<i>2021 (Reviewed) QR'000</i>
Reportable segment net profit before non-segmented expenses	1,149,647	1,085,373
Unallocated expenses	(247,621)	(245,530)
<b>Consolidated net profit for the period</b>	<b>902,026</b>	<b>839,843</b>

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine-month period ended 30 September 2022

### 3 SEGMENT INFORMATION (CONTINUED)

	30 September 2022 (Reviewed) QR'000	31 December 2021 (Audited) QR'000
<b>Assets</b>		
Total assets for reportable segments	54,895,376	58,832,799
Other unallocated amounts	2,813,648	2,959,196
<b>Consolidated total assets</b>	<b>57,709,024</b>	<b>61,791,995</b>
<b>Liabilities and equity of investment account holders</b>		
Total liabilities and equity of investment account holders for reportable segments	47,907,071	52,110,240
Other unallocated amounts	872,747	978,945
<b>Consolidated total liabilities and equity of investment account holders</b>	<b>48,779,818</b>	<b>53,089,185</b>

### 4 FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS

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

30 September 2022 (Reviewed)	Fair value through income statement QR'000	Fair value through equity QR'000	Amortised cost QR'000	Total carrying amount QR'000	Fair value QR'000
Cash and balances with Qatar Central Bank	-	-	2,374,841	2,374,841	2,374,841
Due from banks	-	-	11,652,241	11,652,241	11,652,241
Financing assets	-	-	35,179,538	35,179,538	35,179,538
Investment securities:					
- Measured at fair value	1,170	24,418	-	25,588	25,588
- Measured at amortised cost	-	-	7,101,800	7,101,800	6,944,616
Other assets (excluding non-financial assets)	-	-	186,390	186,390	186,390
	<b>1,170</b>	<b>24,418</b>	<b>56,494,810</b>	<b>56,520,398</b>	<b>56,363,214</b>
Due to banks and financial institutions	-	-	8,118,288	8,118,288	8,118,288
Customers' current accounts	-	-	8,228,057	8,228,057	8,228,057
Sukuk financing	-	-	2,770,259	2,770,259	2,770,259
Other liabilities	-	-	872,747	872,747	872,747
Equity of investment account holders	-	-	28,790,467	28,790,467	28,790,467
	<b>-</b>	<b>-</b>	<b>48,779,818</b>	<b>48,779,818</b>	<b>48,779,818</b>

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine-month period ended 30 September 2022

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

	<i>Fair value through income statement QR'000</i>	<i>Fair value through equity QR'000</i>	<i>Amortised cost QR'000</i>	<i>Total carrying amount QR'000</i>	<i>Fair value QR'000</i>
<i>31 December 2021 (Audited)</i>					
Cash and balances with Qatar					
Central Bank	-	-	2,669,960	2,669,960	2,669,960
Due from banks	-	-	13,426,336	13,426,336	13,426,336
Financing assets	-	-	37,030,881	37,030,881	37,030,881
Investment securities:					
- Measured at fair value	789	25,200	-	25,989	25,989
- Measured at amortised cost	-	-	7,194,158	7,194,158	7,171,902
Other assets (excluding non-financial assets)	-	-	180,499	180,499	180,499
	<u>789</u>	<u>25,200</u>	<u>60,501,834</u>	<u>60,527,823</u>	<u>60,505,567</u>
Due to banks and financial institutions	-	-	9,921,549	9,921,549	9,921,549
Customers' current accounts	-	-	7,428,188	7,428,188	7,428,188
Sukuk financing	-	-	3,542,822	3,542,822	3,542,822
Other liabilities	-	-	978,945	978,945	978,945
Equity of investment account holders	-	-	31,217,681	31,217,681	31,217,681
	<u>-</u>	<u>-</u>	<u>53,089,185</u>	<u>53,089,185</u>	<u>53,089,185</u>
	<i>Fair value through income statement QR'000</i>	<i>Fair value through equity QR'000</i>	<i>Amortised cost QR'000</i>	<i>Total carrying amount QR'000</i>	<i>Fair value QR'000</i>
<i>30 September 2021 (Reviewed)</i>					
Cash and balances with Qatar					
Central Bank	-	-	2,883,294	2,883,294	2,883,294
Due from banks	-	-	10,457,102	10,457,102	10,457,102
Financing assets	-	-	37,358,112	37,358,112	37,358,112
Investment securities:					
- Measured at fair value	999	57,215	-	58,214	58,214
- Measured at amortised cost	-	-	6,620,160	6,620,160	6,627,943
Other assets (excluding non-financial assets)	-	-	186,677	186,677	186,677
	<u>999</u>	<u>57,215</u>	<u>57,505,345</u>	<u>57,563,559</u>	<u>57,571,342</u>
Due to banks and financial institutions	-	-	7,388,200	7,388,200	7,388,200
Customers' current accounts	-	-	8,093,054	8,093,054	8,093,054
Sukuk financing	-	-	2,548,313	2,548,313	2,548,313
Other liabilities	-	-	999,631	999,631	999,631
Equity of investment account holders	-	-	31,248,809	31,248,809	31,248,809
	<u>-</u>	<u>-</u>	<u>50,278,007</u>	<u>50,278,007</u>	<u>50,278,007</u>

The fair value of financial assets and liabilities carried at amortised cost are equal to the carrying value except for investment securities carried at amortised cost with a carrying value of QAR 7,102 million (31 December 2021: QAR 7,194 million, 30 September 2021: QR 6,620 million) for which the fair value amounts to QAR 6,945 million (31 December 2021: QAR 7,172 million, 30 September 2021: QR 6,628 million), which is derived using level 1 fair value hierarchy.

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

##### Valuation of financial investments

The Group measures fair value using the following fair value hierarchy that reflects the significant inputs used in making the measurement valuation technique:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Group determines fair values using valuation techniques.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark profit rates, credit spreads and other premia used in estimating discount rates, sukuk and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date, that would have been determined by market participants acting at arm's length.

##### Financial investments classification

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

	<i>Fair value measurement using</i>			<i>Total</i>
	<i>Quoted prices in active markets (Level 1)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Significant unobservable inputs (Level 3)</i>	
<i>30 September 2022 (Reviewed)</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
- Quoted equity-type investments classified as at fair value through income statement	1,170	-	-	1,170
- Quoted equity-type investments classified as at fair value through equity	19,792	-	-	19,792
- Unquoted equity-type investments classified as at fair value through equity	-	-	4,626	4,626

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

	<i>Fair value measurement using</i>			<i>Total QR'000</i>
	<i>Quoted prices in active markets (Level 1) QR'000</i>	<i>Significant observable inputs (Level 2) QR'000</i>	<i>Significant unobservable inputs (Level 3) QR'000</i>	
<i>31 December 2021 (Audited)</i>				
- Quoted equity-type investments classified as fair value through income statement	789	-	-	789
- Quoted equity-type investments classified as at fair value through equity	19,786	-	-	19,786
- Unquoted equity-type investments classified as at fair value through equity	-	-	5,283	5,283
<i>30 September 2021 (Reviewed)</i>				
- Quoted equity-type investments classified as at fair value through income statement	999	-	-	999
- Quoted equity-type investments classified as at fair value through equity	16,992	-	-	16,992
- Unquoted equity-type investments classified as at fair value through equity	-	-	40,093	40,093

There have been no transfers between level 1 and level 2 during the periods ended 30 September 2022 and 2021 and the year ended 31 December 2021.

Details of the Group's classification of financial assets and liabilities are given in note 7.

#### 5 DUE FROM BANKS

##### • By type

	<i>30 September 2022 (Reviewed) QR'000</i>	<i>31 December 2021 (Audited) QR'000</i>	<i>30 September 2021 (Reviewed) QR'000</i>
Mudaraba placements	1,531,154	4,071,903	2,895,360
Commodity Murabaha receivable	9,529,506	9,091,955	6,880,688
Current accounts	510,584	218,125	651,538
Accrued profit	81,970	45,413	30,408
	<b>11,653,214</b>	<b>13,427,396</b>	<b>10,457,994</b>
Allowance for expected credit losses of due from banks (stages 1 and 2)	(973)	(1,060)	(892)
<b>Total</b>	<b>11,652,241</b>	<b>13,426,336</b>	<b>10,457,102</b>



## 6 FINANCING ASSETS

- By type

	<i>30 September 2022 (Reviewed) QR'000</i>	<i>31 December 2021 (Audited) QR'000</i>	<i>30 September 2021 (Reviewed) QR'000</i>
Murabaha and Musawama	29,992,605	30,406,941	30,173,021
Ijarah Muntahia Bittamleek	6,112,192	6,917,262	6,854,847
Istisn'a	125,935	329,393	364,922
Mudaraba	1,057,649	1,340,489	1,657,933
Musharaka	572	593	594
Others	458,976	351,160	360,931
Accrued Profit	296,771	284,304	315,972
<b>Total financing assets</b>	<b>38,044,700</b>	<b>39,630,142</b>	<b>39,728,220</b>
Less: Deferred profit	(1,418,942)	(1,335,601)	(1,311,289)
Allowance for expected credit losses (stages 1 and 2)	(504,762)	(470,575)	(451,346)
Allowance for credit impairment (stage 3)	(873,986)	(737,426)	(556,204)
Suspended profit	(67,472)	(55,659)	(51,269)
<b>Net financing assets</b>	<b>35,179,538</b>	<b>37,030,881</b>	<b>37,358,112</b>

Total carrying amount of Istisn'a contracts under processing is QR 18 million as at 30 September 2022 (30 September 2021: 147 million; 31 December 2021: QR 83.7 million).

During the period, the Group had written off fully provided bad debts after meeting conditions stipulated in the instructions of QCB amounting to QR 1.72 million as at 30 September 2022 (30 September 2021: 5.44 million; 31 December 2021: QR 5.78 million).

The total non-performing financing assets net of deferred profit at 30 September 2022 amounted to QR 1,036 million, representing 2.85% of the gross financing assets (30 September 2021: QR 949 million, representing 2.48%; 31 December 2021: QR 981 million, representing 2.57%).

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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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### 7 INVESTMENT SECURITIES

	<i>30 September 2022 (Reviewed)</i>			<i>31 December 2021 (Audited)</i>			<i>30 September 2021 (Reviewed)</i>		
	<i>Quoted</i>	<i>Unquoted</i>	<i>Total</i>	<i>Quoted</i>	<i>Unquoted</i>	<i>Total</i>	<i>Quoted</i>	<i>Unquoted</i>	<i>Total</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
<i>Investments classified at fair value through income statement</i>									
- Equity-type investments	<u>1,170</u>	<u>-</u>	<u>1,170</u>	<u>789</u>	<u>-</u>	<u>789</u>	<u>999</u>	<u>-</u>	<u>999</u>
	<u>1,170</u>	<u>-</u>	<u>1,170</u>	<u>789</u>	<u>-</u>	<u>789</u>	<u>999</u>	<u>-</u>	<u>999</u>
<i>Debt-type investments classified at amortised cost</i>									
- State of Qatar Sukuk	<u>1,650,246</u>	<u>4,620,000</u>	<u>6,270,246</u>	<u>674,992</u>	<u>4,520,000</u>	<u>5,194,992</u>	<u>676,459</u>	<u>4,470,000</u>	<u>5,146,459</u>
- Fixed rate	<u>786,904</u>	<u>-</u>	<u>786,904</u>	<u>1,945,886</u>	<u>-</u>	<u>1,945,886</u>	<u>1,426,627</u>	<u>-</u>	<u>1,426,627</u>
- Accrued profit	<u>23,554</u>	<u>33,804</u>	<u>57,358</u>	<u>23,940</u>	<u>34,977</u>	<u>58,917</u>	<u>19,783</u>	<u>33,604</u>	<u>53,387</u>
- Less: allowance for expected credit losses (stage 1 and 2)	<u>(12,708)</u>	<u>-</u>	<u>(12,708)</u>	<u>(5,637)</u>	<u>-</u>	<u>(5,637)</u>	<u>(6,313)</u>	<u>-</u>	<u>(6,313)</u>
	<u>2,447,996</u>	<u>4,653,804</u>	<u>7,101,800</u>	<u>2,639,181</u>	<u>4,554,977</u>	<u>7,194,158</u>	<u>2,116,556</u>	<u>4,503,604</u>	<u>6,620,160</u>
<i>Equity-type investments classified at fair value through equity</i>	<u>19,792</u>	<u>4,626</u>	<u>24,418</u>	<u>19,786</u>	<u>5,283</u>	<u>25,069</u>	<u>16,992</u>	<u>40,093</u>	<u>57,085</u>
<i>Accrued profit</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>131</u>	<u>131</u>	<u>-</u>	<u>131</u>	<u>131</u>
<b>Total</b>	<u><b>2,468,958</b></u>	<u><b>4,658,430</b></u>	<u><b>7,127,388</b></u>	<u><b>2,659,756</b></u>	<u><b>4,560,391</b></u>	<u><b>7,220,147</b></u>	<u><b>2,134,547</b></u>	<u><b>4,543,828</b></u>	<u><b>6,678,375</b></u>

#### Notes:

- The fair value of the investments carried at amortized cost as at 30 September 2022 amounted to QR 6,945 million (30 September 2021: 6,628 million; 31 December 2021: 7,172 million).
- The fair value hierarchy and the transfers between categories of fair value hierarchy are disclosed in note 4.
- The carrying value of investment securities pledged under repurchase agreement (REPO) is QR 414 million (30 September 2021: QR Zero; 31 December 2021: QR 1.9 billion).

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine-month period ended 30 September 2022

### 8 DUE TO BANKS AND FINANCIAL INSTITUTIONS

	30 September 2022 (Reviewed) QR'000	31 December 2021 (Audited) QR'000	30 September 2021 (Reviewed) QR'000
Wakala payable	7,886,893	9,694,351	7,154,396
Current accounts	213,153	222,972	227,234
Profit payable	18,242	4,226	6,570
<b>Total</b>	<b>8,118,288</b>	<b>9,921,549</b>	<b>7,388,200</b>

Wakala payable includes various facilities with maturities ranging from 3 days to 1 year (30 September 2021: 2 days to 3 years; 31 December 2021: 4 days to 1 year) and carries profit rates of 0.04% up to 5.35% (30 September 2021: 0.02% up to 3%; 31 December 2021: 0.008% up to 1% per year).

### 9 SUKUK FINANCING

Instrument	Issue date	Coupon rate	Issued amount QR'000	30 September 2022 (Reviewed) QR'000	31 December 2021 (Audited) QR'000	30 September 2021 (Reviewed) QR'000
QIIB Sukuk 2024	March 2019	4.2%	1,820,750	1,822,522	1,844,841	1,820,722
QIIB Sukuk 2024	October 2021	4.2%	910,375	947,737	970,109	-
QIIB Sukuk 2022	September 2019	3.1%	728,300	-	727,872	727,591
<b>Total balance</b>			<b>3,459,425</b>	<b>2,770,259</b>	<b>3,542,822</b>	<b>2,548,313</b>

### 10 EQUITY OF INVESTMENT ACCOUNT HOLDERS

	30 September 2022 (Reviewed) QR'000	31 December 2021 (Audited) QR'000	30 September 2021 (Reviewed) QR'000
Term accounts	21,008,282	23,707,851	23,889,739
Savings accounts	7,777,220	7,504,808	7,355,713
	28,785,502	31,212,659	31,245,452
Share in fair value reserve	4,965	5,022	3,357
<b>Total</b>	<b>28,790,467</b>	<b>31,217,681</b>	<b>31,248,809</b>

All investment account holders are unrestricted balances as of 30 September 2022, 31 December 2021, and 30 September 2021.

### 11 SHARE CAPITAL

	30 September 2022 (Reviewed) QR'000	31 December 2021 (Audited) QR'000	30 September 2021 (Reviewed) QR'000
<b>Issued and fully paid*</b>	<b>1,513,687</b>	<b>1,513,687</b>	<b>1,513,687</b>

\*Issued and fully paid capital of QR 1,514 million comprises 1,514 million shares with a nominal value of QR 1 each (December 2021 and September 2021: QR 1,514 million comprises 1,514 million shares with a nominal value of QR 1 each).

## **Qatar International Islamic Bank (Q.P.S.C)**

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

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#### **12 LEGAL RESERVE**

In accordance with QCB Law No. 13 of 2012 as amended, 10% of net profit for the year is required to be transferred to the reserve until the legal reserve equals 100% of the paid up share capital. This reserve is not available for distribution except in circumstances specified in Qatar Commercial Companies Law No. 11 of 2015 as amended by law number 8 of 2021 and after QCB approval. No appropriation was made as the legal reserve equal more than 100% of the paid up share capital.

#### **13 RISK RESERVE**

In accordance with QCB regulations, the minimum requirement for risk is 2.5% of the total private and public 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.

#### **14 OTHER RESERVES**

Other reserves represent the undistributed share of associates profits after deducting the cash dividends received.

Movements in the undistributed share of associates profit are as follows:

	<b>30 September 2022 (Reviewed) QR'000</b>	<b>31 December 2021 (Audited) QR'000</b>	<b>30 September 2021 (Reviewed) QR'000</b>
Balance at 1 January	<b>79,588</b>	79,554	79,554
Undistributed profit of associates of the period/year	<b>35</b>	-	-
Dividend received from associates	<b>(490)</b>	(980)	(980)
Recognized profit of associate	-	1,014	475
<b>Total</b>	<b>79,133</b>	<b>79,588</b>	<b>79,049</b>

#### **15 CASH DIVIDENDS PAID TO THE SHAREHOLDERS**

On 7 March 2022 the General Assembly Approved cash dividends of 37.5% of the paid up share capital amounting to QR 568 million (2021: 32.5 % of the paid up share capital amounting to QR 492 million).

#### **16 SUKUK ELIGIBLE AS ADDITIONAL CAPITAL**

During the year 2016, the Group issued perpetual sukuk eligible as additional capital for an amount of QR 1 billion. The sukuk is unsecured and the profit distributions are discretionary, non –cumulative, payable annually, with a fixed profit rate for the first five years which will be revised upon the completion of the initial five years' period. 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 has been classified as an equity

In 2019, the Group issued additional perpetual, unsecured, subordinated sukuk eligible as additional tier 1 capital amounting to USD 300 million listed in London Stock Exchange. The payment of profit for these sukuk is non-cumulative, and are made at the sole discretion of QIIB. The Group has the right not to pay profit on these sukuk, and the sukuk holders will have no claim with respect to non-payment. The applicable profit rate have a reset date as per the terms of the agreement of the issued sukuks. The sukuk does not have a fixed maturity date. The Group classified the sukuk as equity.

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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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### 17 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares outstanding during the period.

	<i>For the nine-month period ended 30 September</i>	
	<i>2022</i>	<i>2021</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<i>QR'000</i>	<i>QR'000</i>
Profit for the period attributable to the shareholders of the Bank	<b>902,026</b>	839,843
Weighted average number of shares outstanding during the period (Note 11)	<b>1,513,687</b>	1,513,687
Basic earnings per share (QR)	<b>0.60</b>	0.55

There were no potentially dilutive shares outstanding at any time during the period. Therefore, the diluted earnings per share is equal to the basic earnings per share.

### 18 CASH AND CASH EQUIVALENTS

For the purpose of preparing 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 September 2022</i>	<i>31 December 2021</i>	<i>30 September 2021</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>	<i>(Reviewed)</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Cash and balances with Qatar Central Bank (excluding restricted QCB reserve account)	<b>643,819</b>	824,104	1,038,169
Due from banks	<b>3,303,473</b>	5,360,864	2,959,171
	<b>3,947,292</b>	6,184,968	3,997,340

The cash reserve with Qatar Central Bank is excluded as it is not used in the day-to-day operations of the Group.

### 19 CONTINGENT LIABILITIES AND COMMITMENTS

#### • By type

	<i>30 September 2022</i>	<i>31 December 2021</i>	<i>30 September 2021</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>	<i>(Reviewed)</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
<b>Contingent liabilities</b>			
Unused financing facilities	<b>11,584,947</b>	7,149,567	8,141,762
Guarantees	<b>6,092,474</b>	6,405,439	6,259,056
Letters of credit	<b>569,616</b>	787,404	929,737
Others	<b>18,634</b>	13,502	6,152
	<b>18,265,671</b>	14,355,912	15,336,707

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine-month period ended 30 September 2022

#### 20 RELATED PARTIES 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 shareholders who can control or exercise significant influence over the Group, associates of the Group and entities over which the Group and the shareholders (who have the ability to exercise their influence over the Group) exercise significant influence, in addition to directors and executive management of the Group.

The amount outstanding/transactions during the period/year with members of the Board or the companies in which they have significant interests were as follows:

	<i>30 September 2022 (Reviewed)</i>			<i>31 December 2021 (Audited)</i>			<i>30 September 2021 (Reviewed)</i>		
	<i>Associate companies QR'000</i>	<i>Board of Directors QR'000</i>	<i>Others QR'000</i>	<i>Associate companies QR'000</i>	<i>Board of Directors QR'000</i>	<i>Others QR'000</i>	<i>Associate companies QR'000</i>	<i>Board of Directors QR'000</i>	<i>Others QR'000</i>
<b>Assets:</b>									
Financing assets	19	606,978	3,334,667	31	594,254	3,006,374	18	592,629	3,078,060
<b>Equity of investment account holders</b>	<b>19,566</b>	<b>329,078</b>	<b>450,643</b>	<b>14,840</b>	<b>275,213</b>	<b>729,930</b>	<b>18,072</b>	<b>207,475</b>	<b>670,152</b>
<b>Off balance sheet items:</b>									
Contingent liabilities and other commitments	388	9,499	180,508	72	13,283	267,317	679	6,508	297,774
	<i>For the nine-month period ended 30 September 2022 (Reviewed)</i>			<i>For the nine-month period ended 30 September 2021 (Reviewed)</i>					
	<i>Associate companies QR'000</i>	<i>Board of Directors QR'000</i>	<i>Others QR'000</i>	<i>Associate companies QR'000</i>	<i>Board of Directors QR'000</i>	<i>Others QR'000</i>			
<b>Consolidated statement of income items:</b>									
Income from financing activities	-	18,999	107,049	279	18,078	92,326			
Share of equity of investment account holders in profit	316	4,479	6,780	359	2,952	8,939			

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine-month period ended 30 September 2022

### 20 RELATED PARTIES TRANSACTIONS (CONTINUED)

Key management personnel compensation for the period comprised:

	<i>For the nine-month period ended 30 September</i>	
	<i>2022</i>	<i>2021</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<i>QR'000</i>	<i>QR'000</i>
Short term benefits	11,137	10,340
Long term benefits	1,029	988
	<b>12,166</b>	<b>11,328</b>

### 21 REGULATORY DISCLOSURES

#### Capital Adequacy Ratio

The Group's policy is to maintain a strong capital base so as to ensure investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year.

The capital adequacy ratio of the Group is calculated in accordance with the Basel III Committee guidelines as adopted by the QCB.

The Group's regulatory capital position under Basel III and QCB regulations as follows:

	<i>30 September 2022</i>	<i>31 December 2021</i>	<i>30 September 2021</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>	<i>(Reviewed)</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Tier 1 capital	7,992,629	7,682,286	7,685,042
Tier 2 capital	587,073	562,684	562,684
<b>Total eligible capital</b>	<b>8,579,702</b>	<b>8,244,970</b>	<b>8,247,726</b>

#### Risk weighted assets

	<i>30 September 2022</i>	<i>31 December 2021</i>	<i>30 September 2021</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>	<i>(Reviewed)</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Risk weighted assets for credit risk	46,409,432	45,402,881	45,844,596
Risk weighted assets for market risk	396,234	630,443	626,228
Risk weighted assets for operational risk	3,471,813	3,217,141	3,217,141
<b>Total risk weighted assets</b>	<b>50,277,479</b>	<b>49,250,465</b>	<b>49,687,965</b>
<b>Regulatory Capital</b>	<b>8,579,702</b>	<b>8,244,970</b>	<b>8,247,726</b>
<b>Common Equity Tier 1 (CET 1) Capital Adequacy Ratio*</b>	<b>11.74%</b>	<b>11.35%</b>	<b>11.26%</b>
<b>Total Capital Adequacy Ratio*</b>	<b>17.06%</b>	<b>16.74%</b>	<b>16.60%</b>

## **Qatar International Islamic Bank (Q.P.S.C.)**

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

For the nine-month period ended 30 September 2022

#### **21 REGULATORY DISCLOSURES (CONTINUED)**

The capital adequacy ratio has been calculated as per Basel III guidelines with effect from 1<sup>st</sup> January 2014 in accordance with QCB regulations. The minimum capital adequacy requirements are as follows:

					<b>Total capital including conservation buffer and domestic systematic important bank buffer</b>	<b>Total capital including conservation buffer, domestic systematic important bank buffer and ICAAP Pillar II capital charge</b>
	<b>CET 1 ratio without capital conservation buffer</b>	<b>CET 1 ratio including capital conservation buffer</b>	<b>Tier 1 capital ratio including capital conservation buffer</b>	<b>Tier 1 and 2 capital ratio including capital conservation buffer</b>		
<b>2022</b>						
Actual	<u>11.74%</u>	<u>11.74%</u>	<u>15.90%</u>	<u>17.06%</u>	<u>17.06%</u>	<u>17.06%</u>
Minimum limit as per QCB	<u>6%</u>	<u>8.50%</u>	<u>10.50%</u>	<u>12.50%</u>	<u>12.50%</u>	<u>13.50%</u>
<b>2021</b>						
Actual	<u>11.26%</u>	<u>11.26%</u>	<u>15.47%</u>	<u>16.60%</u>	<u>16.60%</u>	<u>16.60%</u>
Minimum limit as per QCB	<u>6%</u>	<u>8.5%</u>	<u>10.50%</u>	<u>12.50%</u>	<u>12.50%</u>	<u>13.50%</u>



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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine-month period ended 30 September 2022

### 22 FINANCIAL RISK MANAGEMENT

#### 22.1 Exposures subject to credit risk

Exposures and movement of expected credit loss / impairment allowances:

	30 September 2022				31 December 2021
	Stage 1 QR "000"	Stage 2 QR "000"	Stage 3 QR "000"	Total QR "000"	QR "000"
<b>Exposures subject to ECL</b>					
Due from banks	11,640,486	12,728	-	11,653,214	13,427,396
Debt-type investments classified at amortised cost	6,958,116	156,392	-	7,114,508	7,199,795
Financing assets*	32,403,451	3,186,029	1,036,278	36,625,758	38,294,541
Off balance sheet exposures subject to credit risk	17,819,705	442,391	3,575	18,265,671	14,355,912
	<u>68,821,758</u>	<u>3,797,540</u>	<u>1,039,853</u>	<u>73,659,151</u>	<u>73,277,644</u>
*Net of deferred profits					
<b>Opening balance of expected credit losses / impairment losses as at 1 January 2022</b>					30 September 2021
Due from banks	1,035	25	-	1,060	773
Debt-type investments classified at amortised cost	4,932	705	-	5,637	7,295
Financing assets	213,797	256,780	737,424	1,208,001	832,389
Off balance sheet exposures subject to credit risk	84,101	3,272	-	87,373	107,245
<b>Net transfer between stages</b>					
Due from banks	-	-	-	-	-
Debt-type investments classified at amortised cost	-	-	-	-	-
Financing assets	(32,600)	30,899	1,701	-	-
Off balance sheet exposures subject to credit risk	(738)	738	-	-	-
	<u>(33,338)</u>	<u>31,637</u>	<u>1,701</u>	<u>-</u>	<u>-</u>

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

For the nine-month period ended 30 September 2022

**22 FINANCIAL RISK MANAGEMENT (CONTINUED)**

**22.1 Exposures subject to credit risk (continued)**

	30 September 2022				30 September 2021
	Stage 1 QR "000"	Stage 2 QR "000"	Stage 3 QR "000"	Total QR "000"	QR "000"
<b>Write off / transfers for the period</b>					
Due from banks	-	-	-	-	-
Debt-type investments classified at amortised cost	-	-	-	-	-
Financing assets	-	-	(1,624)	(1,624)	(5,263)
Off balance sheet exposures subject to credit risk	-	-	-	-	-
<b>Charge / (reversal) for the period (net)</b>					
Due from banks	(67)	(20)	-	(87)	119
Debt-type investments classified at amortised cost	3,539	3,532	-	7,071	(982)
Financing assets	(23,722)	59,608	135,534	171,420	177,489
Recovery /Reclassification from off-balance sheet to on balance sheet	-	-	951	951	2,935
Off balance sheet exposures subject to credit risk	(9,237)	829	-	(8,408)	(3,113)
	<u>(29,487)</u>	<u>63,949</u>	<u>136,485</u>	<u>170,947</u>	<u>176,448</u>
<b>Closing balance of expected credit losses / impairment losses - as at 30 September 2022</b>					
Due from banks	968	5	-	973	892
Debt-type investments classified at amortised cost	8,471	4,237	-	12,708	6,313
Financing assets	157,475	347,287	873,986	1,378,748	1,007,550
Off balance sheet exposures subject to credit risk	74,126	4,839	-	78,965	104,132
	<u>241,040</u>	<u>356,368</u>	<u>873,986</u>	<u>1,471,394</u>	<u>1,118,887</u>

## **23 POTENTIAL IMPACT OF ECONOMIC UNCERTAINTIES**

Though the Group's direct credit exposure to countries directly involved in the recent international disputes is not material, the Group's operations are partially concentrated in economies that are relatively dependent on the price of crude oil and accordingly, the Group has considered any potential impact of current economic uncertainties in the inputs for the forward-looking macro-economic factors, when determining the severity and likelihood of economic scenarios for ECL determination. The following forward looking factors have been used in determination of the ECL:

	<b>30 September 2022</b>	<b>31 December 2021</b>	<b>30 September 2021</b>
Average oil price range (USD / Barrel)	<b>53</b>	52.5	52.5
GDP Growth Rate	<b>-1.17%</b>	-1.95%	-1.95%
Inflation	<b>1.34%</b>	1.49%	1.49%

The following weightings were assigned to each macro-economic scenario at the bank level which are based on the Credit Cycle Index:

	<b>30 September 2022</b>	<b>31 December 2021</b>	<b>30 September 2021</b>
Upside Case	<b>50%</b>	50%	50%
Base Case	<b>25%</b>	25%	25%
Downside Case	<b>25%</b>	25%	25%

The uncertainties caused during the current period by these economic uncertainties, coupled with the continued impact of COVID-19 in key markets, have required the Group to closely monitor the inputs and assumptions used for determination of ECL. Further, the Group has considered the potential impacts of the current economic conditions in determination of the reported amounts of the financial and non-financial assets, where relevant, and these are considered to represent management's best assessment based on observable information. Markets however remain volatile and the recorded amounts remain sensitive to market fluctuations