

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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

30 September 2023

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

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KPMG
Zone 25 C Ring Road
Street 230, Building 246
P.O Box 4473, Doha
State of Qatar
Telephone: +974 4457 6444
Fax: +974 4436 7411
Website: home.kpmg/qa

Independent auditor's report on review of interim condensed consolidated financial statements

To the Board of Directors of Qatar International Islamic Bank (Q.P.S.C.)

Introduction

We have reviewed the accompanying 30 September 2023 interim condensed consolidated financial statements of Qatar International Islamic Bank (Q.P.S.C.) (the "Bank") and its subsidiaries (together the "Group"), which comprise:

- the interim consolidated statement of financial position as at 30 September 2023;
- the interim consolidated statement of income for the three-month and nine-month periods ended 30 September 2023;
- the interim consolidated statement of changes in equity for the nine-month period ended 30 September 2023;
- the interim consolidated statement of cash flows for the nine-month period ended 30 September 2023; and
- notes to the interim condensed consolidated financial statements.

The Board of Directors of the Bank is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with FAS 41, "Interim Financial Reporting" as modified by Qatar Central Bank. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with 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 30 September 2023 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with FAS 41, "Interim Financial Reporting" as modified by Qatar Central Bank.

Other matter

The 30 September 2022 interim condensed consolidated financial statements were reviewed, and the consolidated financial statements as at and for the year ended 31 December 2022 were audited, by another auditor, whose review and audit reports dated 26 October 2022 and 13 February 2023 respectively, expressed an unmodified review conclusion and an unmodified audit opinion thereon.

24 October 2023
Doha
State of Qatar



Yacoub Hobeika
KPMG
Qatar Auditor's Registry Number 289
Licensed by QFMA: External
Auditor's License No. 120153


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


INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

		30 September 2023 (Unaudited) QR'000	31 December 2022 (Audited) QR'000	30 September 2022 (Unaudited) QR'000
ASSETS				
Cash and balances with Qatar Central Bank		2,362,531	2,490,767	2,374,841
Due from banks	5	12,391,894	9,760,241	11,652,241
Financing assets	6	36,779,275	35,021,716	35,179,538
Investment securities	7	8,052,318	7,752,399	7,127,388
Investment in associates		187,020	192,362	236,535
Investment properties		648,922	669,105	676,192
Fixed assets		225,657	231,322	221,130
Intangible assets		34,263	37,733	34,444
Other assets		151,608	237,724	206,715
TOTAL ASSETS		60,833,488	56,393,369	57,709,024
LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND EQUITY				
LIABILITIES				
Due to banks	8	9,792,936	5,679,061	7,566,449
Customers' current accounts		7,108,325	7,802,988	8,228,057
Sukuk financing	9	2,748,419	2,793,866	2,770,259
Other liabilities		924,185	900,353	872,747
TOTAL LIABILITIES		20,573,865	17,176,268	19,437,512
EQUITY OF INVESTMENT ACCOUNT HOLDERS				
	10	30,885,323	30,141,890	29,342,306
EQUITY				
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	852,234	852,234	803,726
Fair value reserve		2,989	2,693	3,027
Other reserves	14	81,228	80,787	79,133
Retained earnings		2,379,352	2,081,000	1,984,823
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE BANK		7,281,850	6,982,761	6,836,756
Sukuk eligible as Additional Tier 1 Capital	16	2,092,450	2,092,450	2,092,450
TOTAL EQUITY		9,374,300	9,075,211	8,929,206
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND EQUITY		60,833,488	56,393,369	57,709,024

The interim condensed consolidated financial statements were approved by the Board of Directors on 24 October 2023 and were signed on its behalf by:


 Abdulla Bin Thani Bin Abdulla AL-Thani
 Chairman


 Dr. Abdulbasit Ahmad Abdulrahman Al Shaibei
 Chief Executive Officer

The attached notes 1 to 23 form part of these interim condensed consolidated financial statements. Independent auditor's review report is set out on page 2





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

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three-month and nine-month periods ended 30 September 2023

	<i>For the three-month period ended 30 September</i>		<i>For the nine-month period ended 30 September</i>		
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>	
	<i>(Unaudited) QR'000</i>	<i>(Unaudited) QR'000</i>	<i>(Unaudited) QR'000</i>	<i>(Unaudited) QR'000</i>	
	<i>Note</i>				
Income from financing activities		643,627	453,486	1,729,952	1,301,744
Net income from investing activities		217,770	141,830	582,375	337,678
Total income from financing and net income from investing activities		861,397	595,316	2,312,327	1,639,422
Fee and commission income		125,738	108,895	302,228	293,390
Fee and commission expense		(32,937)	(29,617)	(81,779)	(67,729)
Net fee and commission income		92,801	79,278	220,449	225,661
Net foreign exchange gain		18,604	22,556	62,530	60,984
Net share of results of investment in associates		(506)	(5,447)	(60)	(17,575)
TOTAL INCOME		972,296	691,703	2,595,246	1,908,492
Staff costs		(43,851)	(42,179)	(129,972)	(120,977)
Depreciation of fixed assets and amortisation of intangible assets		(5,602)	(8,215)	(19,279)	(23,900)
Other expenses		(39,023)	(36,745)	(113,907)	(102,744)
Finance expense		(163,174)	(62,826)	(392,953)	(141,341)
TOTAL EXPENSES		(251,650)	(149,965)	(656,111)	(388,962)
Net impairment (losses) / reversals on due from banks		(67)	319	(735)	87
Net impairment reversals / (losses) on investment securities		993	(6,212)	11,590	(7,295)
Net impairment losses on financing assets		(96,452)	(51,356)	(244,807)	(171,420)
Impairment loss on investment in associate		-	-	(32,656)	-
Net impairment reversals on off balance sheet exposures subject to credit risk		2,543	1,764	20,407	8,408
NET PROFIT FOR THE PERIOD BEFORE RETURN TO INVESTMENT ACCOUNT HOLDERS		627,663	486,253	1,692,934	1,349,310
Investment account holders' share of profit		(265,850)	(155,336)	(716,038)	(447,284)
NET PROFIT FOR THE PERIOD		361,813	330,917	976,896	902,026
BASIC AND DILUTED EARNINGS PER SHARE (QR PER SHARE)	17	0.24	0.22	0.65	0.60



The attached notes 1 to 23 form part of these interim condensed consolidated financial statements.
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 2023

	Notes	Share capital QR'000	Legal reserve QR'000	Risk reserve QR'000	Fair value reserve QR'000	Other reserves QR'000	Retained earnings QR'000	Total equity attributable to shareholders of the Bank QR'000	Sukuk eligible as Additional Tier 1 Capital QR'000	Total equity QR'000
Balance at 1 January 2023 (Audited)		1,513,687	2,452,360	852,234	2,693	80,787	2,081,000	6,982,761	2,092,450	9,075,211
Fair value reserve movement		-	-	-	296	-	-	296	-	296
Net profit for the period		-	-	-	-	-	976,896	976,896	-	976,896
Total recognized income and expenses for the period		-	-	-	296	-	976,896	977,192	-	977,192
Cash dividends paid to the shareholders	15	-	-	-	-	-	(605,475)	(605,475)	-	(605,475)
Dividend appropriation to Sukuk eligible as Additional Tier 1 Capital	16	-	-	-	-	-	(72,628)	(72,628)	-	(72,628)
Net movement in other reserves	14	-	-	-	-	441	(441)	-	-	-
Balance at 30 September 2023 (Unaudited)		<u>1,513,687</u>	<u>2,452,360</u>	<u>852,234</u>	<u>2,989</u>	<u>81,228</u>	<u>2,379,352</u>	<u>7,281,850</u>	<u>2,092,450</u>	<u>9,374,300</u>
Balance at 1 January 2022 (Audited)		1,513,687	2,452,360	803,726	2,767	79,588	1,758,232	6,610,360	2,092,450	8,702,810
Fair value reserve movement		-	-	-	260	-	-	260	-	260
Net profit for the period		-	-	-	-	-	902,026	902,026	-	902,026
Total recognized income and expenses for the period		-	-	-	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 Tier 1 Capital	16	-	-	-	-	-	(108,257)	(108,257)	-	(108,257)
Net movement in other reserves	14	-	-	-	-	(455)	455	-	-	-
Balance at 30 September 2022 (Unaudited)		<u>1,513,687</u>	<u>2,452,360</u>	<u>803,726</u>	<u>3,027</u>	<u>79,133</u>	<u>1,984,823</u>	<u>6,836,756</u>	<u>2,092,450</u>	<u>8,929,206</u>

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



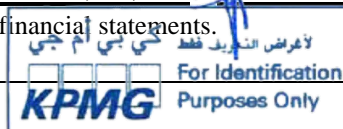
Qatar International Islamic Bank (Q.P.S.C.)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine-month period ended 30 September 2023

	<i>For the nine-month period ended 30 September</i>	
	2023	2022
<i>Note</i>	<i>(Unaudited)</i> QR'000	<i>(Unaudited)</i> QR'000
Cash flows from operating activities		
Net profit for the period	976,896	902,026
<i>Adjustments for:</i>		
Net impairment losses on financing assets	244,807	171,420
Net impairment (reversals) / losses on investment securities	(11,590)	7,295
Impairment loss on investment in associate	32,656	-
Net impairment reversals on off balance sheet exposures subject to credit risk	(20,407)	(8,408)
Net impairment losses / (reversals) on due from banks	735	(87)
Foreign exchange (gain) / loss on translation of investment in associate	(346)	9,322
Loss on disposal and write off of fixed assets	144	-
Depreciation of investment properties	21,368	21,851
Depreciation of fixed assets and amortisation of intangible assets	19,279	23,900
Dividend income	(1,073)	(1,195)
Net share of results of investment in associates	60	17,575
Fair value (gain) / loss on investment security carried at fair value through income statement	(128)	(381)
Sukuk amortisation	1,611	6,253
Employees' end of service benefits	3,694	3,245
Profit before changes in operating assets and liabilities	1,267,706	1,152,816
Working capital changes:		
Cash reserve with Qatar Central Bank	94,784	114,834
Due from banks	(1,820,862)	(283,209)
Financing assets	(2,002,366)	1,679,923
Other assets	86,116	2,868
Due to banks	4,113,875	(1,803,261)
Customers' current accounts	(694,663)	799,869
Other liabilities	(29,687)	(121,038)
	1,014,903	1,542,802
Employees' end of service benefits paid	(1,808)	(4,379)
Net cash flows generated from operating activities	1,013,095	1,538,423
Cash flows from investing activities		
Acquisition of investment securities	(3,373,589)	(623,388)
Proceeds from sale/redemption of investment securities	3,106,868	701,840
Addition on investment in associate	(28,640)	-
Acquisition of fixed assets	(3,576)	(1,596)
Acquisition of intangible assets	(6,804)	(4,214)
Acquisition of investment in properties	(1,097)	(591)
Proceeds from sale of fixed assets	4	-
Dividends received from investment in associates	1,470	490
Dividend income	1,073	1,195
Net cash flows (used in) generated from investing activities	(304,291)	73,736
Cash flows from financing activities		
Change in equity of investment account holders	743,296	(2,427,271)
Cash dividends paid to shareholders	(601,398)	(568,373)
Dividend payments to Sukuk eligible as Additional Tier 1 Capital	(72,628)	(81,628)
Settlement of Sukuk financing	-	(772,563)
Cash flows generated from (used in) financing activities	69,270	(3,849,835)
Net increase (decrease) in cash and cash equivalents	778,074	(2,237,676)
Cash and cash equivalents at 1 January	2,070,949	6,184,968
Cash and cash equivalents at 30 September	2,849,023	3,947,292

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

As at and for the nine-month period ended 30 September 2023

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 statements include 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 exempted companies with limited liability for sole purpose of Sukuk and Tier 1 Sukuk issuance, respectively, for the benefit of QIIB.

The Bank is engaged in the 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 30 September 2023 interim condensed consolidated financial statements of the Group were authorized for issuance in accordance with a resolution of the Board of Directors on 24 October 2023.

2 BASIS OF PREPARATION

(a) Statement of compliance

The interim condensed consolidated financial statements have been prepared in accordance with Financial Accounting Standards (“FAS”) 41, “Interim Financial Reporting”, 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. 12/2020 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 Islamic 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. 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”).

The interim condensed consolidated 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 2022. The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2022 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 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

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 2022.

(b) Basis of measurement

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

(d) New standards, amendments and interpretations effective from 1 January 2023

FAS 39 Financial Reporting for Zakah

AAOIFI has issued FAS 39 Financial Reporting for Zakah in 2021. The objective of this standard is to establish principles of financial reporting related to Zakah attributable to different stakeholders of an Islamic financial Institution. This standard supersedes FAS 9 Zakah and is effective for the financial reporting periods beginning on or after 1 January 2023 with an option to early adopt.

This standard shall apply to institutions with regard to the recognition, presentation and disclosure of Zakah attributable to relevant stakeholders. While computation of Zakah shall be applicable individually to each institution within the Group, this standard shall be applicable on all consolidated and separate / standalone financial statements of an institution.

This standard does not prescribe the method for determining the Zakah base and measuring Zakah due for a period. An institution shall refer to relevant authoritative guidance for determination of Zakah base and to measure Zakah due for the period. (for example: AAOIFI Shari'a standard 35 Zakah, regulatory requirements or guidance from Shari'a supervisory board, as applicable).

There was no significant impact from adoption of this standard.

FAS 41 Interim financial reporting

This standard prescribes the principles for the preparation of interim condensed financial information and the relevant presentation and disclosure requirements, emphasizing the minimum disclosures specific to Islamic financial institutions in line with various financial accounting standards issued by AAOIFI. This standard also provides an option for the institution to prepare a complete set of financial statements at interim reporting dates in line with the respective FAS's.

This standard is effective for financial statements for the period beginning on or after 1 January 2023.

The Group adopted this standard for the basis of preparation of its interim condensed consolidated financial statements. There was no significant impact from adoption of this standard.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 30 September 2023

2 BASIS OF PREPARATION (CONTINUED)

(e) New standards, amendments and interpretations issued but not effective from 1 January 2023

FAS 1 General Presentation and Disclosures in the Financial Statements

AAOIFI has issued the revised FAS 1 General Presentation and Disclosures in the Financial Statements in 2021. This standard describes and improves the overall presentation and disclosure requirements prescribed in line with the global best practices and supersedes the earlier FAS 1. It is applicable to all the Islamic Financial Institutions and other institutions following AAOIFI FASs. This standard is effective for the financial reporting periods beginning on or after 1 January 2024 with an option to early adopt.

The revision of FAS 1 is in line with the modifications made to the AAOIFI conceptual framework for financial reporting.

Some of the significant revisions to the standard are as follows:

- a) Revised conceptual framework is now integral part of the AAOIFI FAS's;
- b) Definition of Quasi equity is introduced;
- c) Definitions have been modified and improved;
- d) Concept of comprehensive income has been introduced;
- e) Institutions other than Banking institutions are allowed to classify assets and liabilities as current and non-current.
- f) True and fair override has been introduced;
- g) Treatment for change in accounting policies, change in estimates and correction of errors has been introduced;
- h) Disclosures of related parties, subsequent events and going concern have been improved;
- i) Improvement in reporting for foreign currency, segment reporting;
- j) Presentation and disclosure requirements have been divided into three parts. First part is applicable to all institutions, second part is applicable only to banks and similar IFI's and third part prescribes the authoritative status, effective date and amendments to other AAOIFI FAS's; and
- k) The illustrative financial statements are not part of this standard and will be issued separately

The Group is assessing the impact of adoption of this standard and expects changes in certain presentation and disclosures in its interim condensed consolidated financial statements.

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.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 30 September 2023

3 SEGMENT INFORMATION (CONTINUED)

<i>Nine-month ended 30 September 2023 (Unaudited)</i>	<i>Corporate banking QR'000</i>	<i>Personal banking QR'000</i>	<i>Treasury & Investments QR'000</i>	<i>Total QR'000</i>
External revenue:				
Total income from financing and investing activities	1,082,984	646,947	582,396	2,312,327
Net fee and commission income	121,852	98,597	-	220,449
Net foreign exchange gain	-	-	62,530	62,530
Net share of results of investment in associates	-	-	(60)	(60)
Total segment income	1,204,836	745,544	644,866	2,595,246
Net impairment losses on due from banks	-	-	(735)	(735)
Net impairment reversals on investments securities	-	-	11,590	11,590
Net impairment (losses) / reversal on financing assets	(284,272)	39,465	-	(244,807)
Impairment losses on investment in associate	-	-	(32,656)	(32,656)
Net impairment reversal on off balance sheet exposures subject to credit risk	20,407	-	-	20,407
Finance expense / Investment account holders' share of profit	(323,177)	(392,861)	(392,953)	(1,108,991)
Reportable segment net profit before non-segmented expenses	617,794	392,148	230,112	1,240,054
<i>Nine-month ended 30 September 2022 (Unaudited)</i>	<i>Corporate banking QR'000</i>	<i>Personal banking QR'000</i>	<i>Treasury & Investments QR'000</i>	<i>Total QR'000</i>
External revenue:				
Total income from financing and investing activities	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
Share of results of investments in associates	-	-	(17,575)	(17,575)
Total segment income	855,442	671,963	381,087	1,908,492
Net impairment reversals 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 reversals 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)
Reportable segment net profit before non-segmented expenses	513,811	403,298	232,538	1,149,647
<i>30 September 2023 (Unaudited)</i>	<i>Corporate banking QR'000</i>	<i>Personal banking QR'000</i>	<i>Treasury & Investments QR'000</i>	<i>Total QR'000</i>
Reportable segment assets	22,397,828	14,381,447	21,429,131	58,208,406
Reportable segment liabilities and equity of investment account holders	15,047,896	22,945,752	12,541,355	50,535,003

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 30 September 2023

3 SEGMENT INFORMATION (CONTINUED)

	<i>Corporate banking</i>	<i>Personal banking</i>	<i>Treasury & Investments</i>	<i>Total</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
<i>31 December 2022 (Audited)</i>				
Reportable segment assets	<u>20,811,776</u>	<u>14,209,940</u>	<u>18,505,943</u>	<u>53,527,659</u>
Reportable segment liabilities and equity of investment account holders	<u>15,370,951</u>	<u>22,573,927</u>	<u>8,472,927</u>	<u>46,417,805</u>

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>	
	<u>2023</u>	<u>2022</u>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>QR'000</i>	<i>QR'000</i>
Reportable segment net profit before non-segmented expenses	1,240,054	1,149,647
Unallocated expenses	(263,158)	(247,621)
Consolidated net profit for the period	<u>976,896</u>	<u>902,026</u>
	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>QR'000</i>	<i>QR'000</i>
Assets		
Total assets for reportable segments	58,208,406	53,527,659
Other unallocated amounts	2,625,082	2,865,710
Consolidated total assets	<u>60,833,488</u>	<u>56,393,369</u>
Liabilities and equity of investment account holders		
Total liabilities and equity of investment account holders for reportable segments	50,535,003	46,417,805
Other unallocated amounts	924,185	900,353
Consolidated total liabilities and equity of investment account holders	<u>51,459,188</u>	<u>47,318,158</u>

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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:

<i>30 September 2023 (Unaudited)</i>	<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>
Cash and balances with Qatar					
Central Bank	-	-	2,362,531	2,362,531	2,362,531
Due from banks	-	-	12,391,894	12,391,894	12,391,894
Financing assets	-	-	36,779,275	36,779,275	36,779,275
Investment securities:					
- Measured at fair value	950	25,527	-	26,477	26,477
- Measured at amortised cost	-	-	8,025,841	8,025,841	7,848,355
Other assets (excluding non-financial assets)	-	-	108,834	108,834	108,834
	950	25,527	59,668,375	59,694,852	59,517,366
Due to banks	-	-	9,792,936	9,792,936	9,792,936
Customers' current accounts	-	-	7,108,325	7,108,325	7,108,325
Sukuk financing	-	-	2,748,419	2,748,419	2,748,419
Other liabilities	-	-	924,185	924,185	924,185
Equity of investment account holders	-	-	30,885,323	30,885,323	30,885,323
	-	-	51,459,188	51,459,188	51,459,188

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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 2022 (Audited)</i>					
Cash and balances with Qatar					
Central Bank	-	-	2,490,767	2,490,767	2,490,767
Due from banks	-	-	9,760,241	9,760,241	9,760,241
Financing assets	-	-	35,021,716	35,021,716	35,021,716
Investment securities:					
- Measured at fair value	822	25,735	-	26,557	26,557
- Measured at amortised cost	-	-	7,725,842	7,725,842	7,584,484
Other assets (excluding non-financial assets)	-	-	215,568	215,568	215,568
	<u>822</u>	<u>25,735</u>	<u>55,214,134</u>	<u>55,240,691</u>	<u>55,099,333</u>
Due to banks	-	-	5,679,061	5,679,061	5,679,061
Customers' current accounts	-	-	7,802,988	7,802,988	7,802,988
Sukuk financing	-	-	2,793,866	2,793,866	2,793,866
Other liabilities	-	-	900,353	900,353	900,353
Equity of investment account holders	-	-	30,141,890	30,141,890	30,141,890
	<u>-</u>	<u>-</u>	<u>47,318,158</u>	<u>47,318,158</u>	<u>47,318,158</u>
<i>30 September 2022 (Unaudited)</i>					
	<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>
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
	<u>1,170</u>	<u>24,418</u>	<u>56,494,810</u>	<u>56,520,398</u>	<u>56,363,214</u>
Due to banks	-	-	7,566,449	7,566,449	7,566,449
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	-	-	29,342,306	29,342,306	29,342,306
	<u>-</u>	<u>-</u>	<u>48,779,818</u>	<u>48,779,818</u>	<u>48,779,818</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 8,026 million (31 December 2022: QAR 7,726 million, 30 September 2022: QR 7,102 million) for which the fair value amounts to QAR 7,848 million (31 December 2022: QAR 7,584 million, 30 September 2022: QR 6,945 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 2023 (Unaudited)</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	950	-	-	950
- Quoted equity-type investments classified as at fair value through equity	19,830	-	-	19,830
- Unquoted equity-type investments classified as at fair value through equity	-	-	5,697	5,697

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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 2022 (Audited)</i>				
- Quoted equity-type investments classified as fair value through income statement	822	-	-	822
- Quoted equity-type investments classified as at fair value through equity	19,204	-	-	19,204
- Unquoted equity-type investments classified as at fair value through equity	-	-	6,531	6,531
<i>30 September 2022 (Unaudited)</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

There have been no transfers between level 1 and level 2 during the periods ended 30 September 2023 and 2022 and the year ended 31 December 2022.

Details of the Group's classification of investment securities are given in note 7.

5 DUE FROM BANKS

• By type

	<i>30 September 2023 (Unaudited) QR'000</i>	<i>31 December 2022 (Audited) QR'000</i>	<i>30 September 2022 (Unaudited) QR'000</i>
Mudaraba placements	396,094	840,590	1,531,154
Commodity Murabaha receivable	11,564,766	8,560,858	9,529,506
Current accounts	213,915	220,657	510,584
Accrued profit	218,379	138,661	81,970
	12,393,154	9,760,766	11,653,214
Allowance for expected credit losses of due from banks (stages 1 and 2)	(1,260)	(525)	(973)
Total	12,391,894	9,760,241	11,652,241

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6 FINANCING ASSETS

- By type

	<i>30 September 2023 (Unaudited) QR'000</i>	<i>31 December 2022 (Audited) QR'000</i>	<i>30 September 2022 (Unaudited) QR'000</i>
Murabaha and Musawama	33,090,084	30,440,511	29,992,605
Ijarah Muntahia Bittamleek	5,847,292	5,980,493	6,112,192
Istisn'a	95,097	95,868	125,935
Mudaraba	686,235	901,008	1,057,649
Musharaka	476	572	572
Others	281,659	424,955	458,976
Accrued Profit	312,720	292,753	296,771
Total financing assets	40,313,563	38,136,160	38,044,700
Less: Deferred profit	(1,699,128)	(1,532,695)	(1,418,942)
Allowance for expected credit losses (stages 1 and 2)	(660,649)	(554,992)	(504,762)
Allowance for credit impairment (stage 3)	(1,092,855)	(954,290)	(873,986)
Suspended profit	(81,656)	(72,467)	(67,472)
Net financing assets	36,779,275	35,021,716	35,179,538

Total carrying amount of Istisn'a contracts under processing is QR 93 million as at 30 September 2023 (30 September 2022: 18 million; 31 December 2022: QR 108 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 2.27 million as at 30 September 2023 (30 September 2022: QR 1.72 million; 31 December 2022: QR 2.46 million).

The total non-performing financing assets net of deferred profit at 30 September 2023 amounted to QR 1,222 million, representing 3.16% of the gross financing assets (30 September 2022: QR 1,036 million, representing 2.85%; 31 December 2022: QR 1,022 million, representing 2.79%).

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7 INVESTMENT SECURITIES

	<i>30 September 2023 (Unaudited)</i>			<i>31 December 2022(Audited)</i>			<i>30 September 2022 (Unaudited)</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	950	-	950	822	-	822	1,170	-	1,170
	950	-	950	822	-	822	1,170	-	1,170
<i>Debt-type investments classified at amortised cost</i>									
- State of Qatar Sukuk	-	5,496,771	5,496,771	669,126	5,065,124	5,734,250	670,592	4,620,000	5,290,592
- Fixed rate	2,455,246	-	2,455,246	1,953,008	-	1,953,008	1,765,725	-	1,765,725
- Accrued profit	68,547	21,889	90,436	25,721	41,065	66,786	24,387	33,804	58,191
- Less: allowance for expected credit losses (stage 1 and 2)	(16,612)	-	(16,612)	(28,202)	-	(28,202)	(12,708)	-	(12,708)
	2,507,181	5,518,660	8,025,841	2,619,653	5,106,189	7,725,842	2,447,996	4,653,804	7,101,800
<i>Equity-type investments classified at fair value through equity</i>	19,830	5,697	25,527	19,204	6,531	25,735	19,792	4,626	24,418
Total	2,527,961	5,524,357	8,052,318	2,639,679	5,112,720	7,752,399	2,468,958	4,658,430	7,127,388

Notes:

- (i) The fair value of the investments carried at amortized cost as at 30 September 2023 amounted to QR 7,848 million (30 September 2022: QR 6,945 million; 31 December 2022: QR 7,584 million).
- (ii) The fair value hierarchy and the transfers between categories of fair value hierarchy are disclosed in note 4.
- (iii) The carrying value of investment securities pledged under repurchase agreement (REPO) is QR Nil (30 September 2022: QR 414 million; 31 December 2022: QR Nil).

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8 DUE TO BANKS

	<i>30 September 2023 (Unaudited) QR'000</i>	<i>31 December 2022 (Audited) QR'000</i>	<i>30 September 2022 (Unaudited) QR'000</i>
Wakala payable	9,420,930	5,436,603	7,337,026
Current accounts	315,106	217,378	213,153
Profit payable	56,900	25,080	16,270
Total	9,792,936	5,679,061	7,566,449

Wakala payable includes various facilities with maturities ranging from 7 days to 1 year (30 September 2022: 3 days to 1 year; 31 December 2022: 4 days to 1 year) and carries profit rates of 0.11% to 6.3% (30 September 2022: 0.04% up to 5.35%; 31 December 2022: 1.735% up to 5.6% per year).

9 SUKUK FINANCING

Instrument	Issue date	Coupon rate	Issued amount QR'000	<i>30 September 2023 (Unaudited) QR'000</i>	<i>31 December 2022 (Audited) QR'000</i>	<i>30 September 2022 (Unaudited) QR'000</i>
QIIB Sukuk 2024	March 2019	4.2%	1,820,750	1,825,660	1,844,257	1,822,522
QIIB Sukuk 2024	October 2021	4.2%	910,375	922,759	949,609	947,737
QIIB Sukuk 2022	September 2019	3.1%	728,300	-	-	-
Total balance			3,459,425	2,748,419	2,793,866	2,770,259

10 EQUITY OF INVESTMENT ACCOUNT HOLDERS

	<i>30 September 2023 (Unaudited) QR'000</i>	<i>31 December 2022 (Audited) QR'000</i>	<i>30 September 2022 (Unaudited) QR'000</i>
Term accounts	23,936,338	22,439,272	21,560,121
Savings accounts	6,944,306	7,698,076	7,777,220
	30,880,644	30,137,348	29,337,341
Share in fair value reserve	4,679	4,542	4,965
Total	30,885,323	30,141,890	29,342,306

All investment account holders are unrestricted balances as of 30 September 2023, 31 December 2022, and 30 September 2022.

11 SHARE CAPITAL

	<i>Number of shares (thousand)</i>		
	<i>30 September 2023 (Unaudited) QR'000</i>	<i>31 December 2022 (Audited) QR'000</i>	<i>30 September 2022 (Unaudited) QR'000</i>
Issued and fully paid*	1,513,687	1,513,687	1,513,687

*Issued and fully paid capital of QR 1,514 million comprises 1,514 million shares with a nominal value of QR 1 each (December 2022 and September 2022: QR 1,514 million comprises 1,514 million shares with a nominal value of QR 1 each).

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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:

	<i>30 September 2023 (Unaudited) QR'000</i>	<i>31 December 2022 (Audited) QR'000</i>	<i>30 September 2022 (Unaudited) QR'000</i>
Balance at 1 January	80,787	79,588	79,588
Undistributed profit of associates of the period/year	1,911	1,689	35
Dividend received from associates	(1,470)	(490)	(490)
Total	81,228	80,787	79,133

15 CASH DIVIDENDS PAID TO THE SHAREHOLDERS

On 14 March 2023 the General Assembly approved cash dividends of 40% of the paid up share capital amounting to QR 605 million (2021: 37.5% of the paid up share capital amounting to QR 568 million).

16 SUKUK ELIGIBLE AS ADDITIONAL TIER 1 CAPITAL

During the year 2016, the Group issued perpetual sukuk eligible as Additional Tier 1 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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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 three-month period ended 30 September</i>		<i>For the nine-month period ended 30 September</i>	
	<i>2023 (Unaudited) QR'000</i>	<i>2022 (Unaudited) QR'000</i>	<i>2023 (Unaudited) QR'000</i>	<i>2022 (Unaudited) QR'000</i>
Profit for the period attributable to the shareholders of the Bank	361,813	330,917	976,896	902,026
Weighted average number of shares outstanding during the period (Note 11)	1,513,687	1,513,687	1,513,687	1,513,687
Basic earnings per share (QR)	0.24	0.22	0.65	0.60

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 2023 (Unaudited) QR'000</i>	<i>31 December 2022 (Audited) QR'000</i>	<i>30 September 2022 (Unaudited) QR'000</i>
Cash and balances with Qatar Central Bank (excluding restricted QCB reserve account)	692,454	725,906	643,819
Due from banks	2,156,569	1,345,043	3,303,473
	2,849,023	2,070,949	3,947,292

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 2023 (Unaudited) QR'000</i>	<i>31 December 2022 (Audited) QR'000</i>	<i>30 September 2022 (Unaudited) QR'000</i>
Contingent liabilities			
Unused financing facilities	7,032,574	9,142,901	11,584,947
Guarantees	5,615,494	5,651,534	6,092,474
Letters of credit	247,624	519,711	569,616
Others	12,647	166,971	18,634
	12,908,339	15,481,117	18,265,671

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20 RELATED PARTIES TRANSACTIONS (CONTINUED)

Key management personnel compensation for the period comprised:

	<i>For the nine-month period ended 30 September</i>	
	<i>2023 (Unaudited) QR'000</i>	<i>2022 (Unaudited) QR'000</i>
Short term benefits	11,762	11,137
Long term benefits	1,233	1,029
	12,995	12,166

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 2023 (Unaudited) QR'000</i>	<i>31 December 2022 (Audited) QR'000</i>	<i>30 September 2022 (Unaudited) QR'000</i>
Tier 1 capital	8,363,168	7,989,182	7,992,629
Tier 2 capital	597,436	692,909	587,073
Total eligible capital	8,960,604	8,682,091	8,579,702

Risk weighted assets

	<i>30 September 2023 (Unaudited) QR'000</i>	<i>31 December 2022 (Audited) QR'000</i>	<i>30 September 2022 (Unaudited) QR'000</i>
Risk weighted assets for credit risk	47,794,874	45,238,181	46,409,432
Risk weighted assets for market risk	762,258	399,396	396,234
Risk weighted assets for operational risk	3,664,507	3,471,813	3,471,813
Total risk weighted assets	52,221,639	49,109,390	50,277,479
Regulatory Capital	8,960,604	8,682,091	8,579,702
Common Equity Tier 1 (CET 1) Capital Adequacy Ratio*	12.01%	12.01%	11.74%
Total Capital Adequacy Ratio*	17.16%	17.68%	17.06%

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 30 September 2023

21 REGULATORY DISCLOSURES (CONTINUED)

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

	CET 1 ratio without capital conservation buffer	CET 1 ratio including capital conservation buffer	Tier 1 capital ratio including capital conservation buffer	Tier 1 and 2 capital ratio including capital conservation buffer	Total capital including capital conservation buffer and domestic systematic important bank buffer	Total capital including conservation buffer, domestic systematic important bank buffer and ICAAP Pillar II capital charge
30 September 2023						
Actual	12.01%	12.01%	16.01%	17.16%	17.16%	17.16%
Minimum limit as per QCB	6.00%	8.50%	10.50%	12.50%	12.50%	14.15%
31 December 2022						
Actual	12.01%	12.01%	16.27%	17.68%	17.68%	17.68%
Minimum limit as per QCB	6.00%	8.50%	10.50%	12.50%	12.50%	14.15%

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 30 September 2023

22 FINANCIAL RISK MANAGEMENT

22.1 Exposures subject to credit risk

Exposures and movement of expected credit loss / impairment allowances:

	30 September 2023				31 December 2022 QR'000
	Stage 1 QR'000	Stage 2 QR'000	Stage 3 QR'000	Total QR'000	
Exposures subject to ECL					
Due from banks	12,353,339	39,815	-	12,393,154	9,760,766
Debt-type investments classified at amortised cost	7,848,363	194,090	-	8,042,453	7,754,044
Financing assets*	34,136,485	3,256,359	1,221,591	38,614,435	36,603,465
Off balance sheet exposures subject to credit risk	12,500,505	394,388	13,446	12,908,339	15,481,117
	<u>66,838,692</u>	<u>3,884,652</u>	<u>1,235,037</u>	<u>71,958,381</u>	<u>69,599,392</u>
*Net of deferred profits					
Opening balance of expected credit losses / impairment losses as at 1 January 2023					30 September 2022
Due from banks	522	3	-	525	1,060
Debt-type investments classified at amortised cost	7,921	20,281	-	28,202	5,637
Financing assets	312,356	242,636	954,290	1,509,282	1,208,001
Off balance sheet exposures subject to credit risk	99,527	9,662	-	109,189	87,373
Net transfer between stages					
Due from banks	-	-	-	-	-
Debt-type investments classified at amortised cost	-	-	-	-	-
Financing assets	(67,332)	(9,025)	76,357	-	-
Off balance sheet exposures subject to credit risk	(312)	312	-	-	-
	<u>(67,644)</u>	<u>8,713</u>	<u>76,357</u>	<u>-</u>	<u>-</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 30 September 2023

22 FINANCIAL RISK MANAGEMENT (CONTINUED)

22.1 Exposures subject to credit risk (continued)

	30 September 2023				30 September 2022 QR'000
	Stage 1 QR'000	Stage 2 QR'000	Stage 3 QR'000	Total QR'000	
Write off / transfers for the period					
Due from banks	-	-	-	-	-
Debt-type investments classified at amortised cost	-	-	-	-	-
Financing assets	-	-	(1,794)	(1,794)	(1,624)
Off balance sheet exposures subject to credit risk	-	-	-	-	-
Charge / (reversal) for the period (net)					
Due from banks	735	-	-	735	(87)
Debt-type investments classified at amortised cost	545	(12,135)	-	(11,590)	7,071
Financing assets	193,327	(11,313)	62,793	244,807	171,420
Recovery /Reclassification from off-balance sheet to on balance sheet	-	-	1,209	1,209	951
Off balance sheet exposures subject to credit risk	(14,984)	(5,423)	-	(20,407)	(8,408)
	<u>179,623</u>	<u>(28,871)</u>	<u>64,002</u>	<u>214,754</u>	<u>170,947</u>
Closing balance of expected credit losses / impairment losses - as at 30 September					
Due from banks	1,257	3	-	1,260	973
Debt-type investments classified at amortised cost	8,466	8,146	-	16,612	12,708
Financing assets	438,351	222,298	1,092,855	1,753,504	1,378,748
Off balance sheet exposures subject to credit risk	84,231	4,551	-	88,782	78,965
	<u>532,305</u>	<u>234,998</u>	<u>1,092,855</u>	<u>1,860,158</u>	<u>1,471,394</u>

23 COMPARATIVE INFORMATION

Certain accounts in the previous year / period consolidation financial statements have been reclassified to conform with the current period's financial statement presentation. Such reclassifications, however, did not have any effect in the reported profit and equity in the previous year / period.