

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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

31 March 2024

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

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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 interim condensed consolidated financial statements of Qatar International Islamic Bank (Q.P.S.C.) (the "Bank") and its subsidiaries (together the "Group") for the three-month period ended 31 March 2024, which comprise:

- the interim consolidated statement of financial position as at 31 March 2024;
- the interim consolidated statement of income for the three-month period ended 31 March 2024;
- the interim consolidated statement of other comprehensive income for the three-month period ended 31 March 2024;
- the interim consolidated statement of income and attribution related to quasi-equity for the three-month period ended 31 March 2024;
- the interim consolidated statement of changes in owners' equity for the three-month period ended 31 March 2024;
- the interim consolidated statement of cash flows for the three-month period ended 31 March 2024; 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 31 March 2024 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.

29 April 2024
Doha
State of Qatar


Gopal Balasubramaniam
KPMG
Qatar Auditor's Registry Number 251
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Auditor's License No. 120153




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


INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

		31 March 2024 (Reviewed) QR'000	31 December 2023 (Audited) QR'000	31 March 2023 (Reviewed) QR'000
ASSETS				
		2,508,345	3,623,638	2,400,993
		13,878,936	12,464,650	9,659,429
		37,462,166	36,499,437	34,957,084
		7,837,648	7,809,357	6,629,865
		151,369	154,004	188,303
		635,701	642,386	662,102
		224,733	225,963	227,054
		28,667	32,092	33,864
		180,637	174,748	196,518
		62,908,202	61,626,275	54,955,212
LIABILITIES, QUASI-EQUITY AND OWNERS' EQUITY				
LIABILITIES				
		10,574,245	9,467,678	5,867,606
		6,421,368	6,381,672	7,261,436
		1,838,340	2,772,089	2,759,308
		1,634,462	946,545	905,666
		20,468,415	19,567,984	16,794,016
QUASI-EQUITY				
		33,277,198	32,547,808	29,371,302
		4,369	4,401	4,237
		33,281,567	32,552,209	29,375,539
OWNERS' EQUITY				
		1,513,687	1,513,687	1,513,687
		2,452,360	2,452,360	2,452,360
		886,173	886,173	852,234
		2,410	2,742	2,698
		(1,559)	-	-
		80,787	81,974	79,803
		2,131,912	2,476,696	1,792,425
		7,065,770	7,413,632	6,693,207
		2,092,450	2,092,450	2,092,450
		9,158,220	9,506,082	8,785,657
		62,908,202	61,626,275	54,955,212
CONTINGENT LIABILITIES AND COMMITMENTS				
		14,128,304	13,504,405	16,102,020

The interim condensed consolidated financial statements were approved by the Board of Directors on 29 April 2024 and were 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 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 INCOME
For the three-month period ended 31 March 2024

	<i>For the three-month period ended 31 March</i>	
	<i>2024 (Reviewed) QR'000</i>	<i>2023 (Reviewed) QR'000</i>
Income from financing activities	616,110	528,908
Net income from investing activities	247,761	170,251
Finance expenses	(138,526)	(97,343)
Total income from financing and investing activities, net	725,345	601,816
Fee and commission income	105,341	85,038
Fee and commission expense	(24,950)	(24,859)
Net fee and commission income	80,391	60,179
Net foreign exchange gain	15,524	21,485
Net share of results of investment in associates	292	431
TOTAL INCOME	821,552	683,911
Staff expenses	(45,160)	(40,832)
Depreciation of fixed assets and amortisation of intangible assets	(5,683)	(8,051)
Other expenses	(39,741)	(36,637)
TOTAL EXPENSES	(90,584)	(85,520)
NET OPERATING INCOME BEFORE IMPAIRMENT	730,968	598,391
Net impairment (losses) / reversals on due from banks	(77)	10
Net impairment reversals on investments securities	862	10,025
Net impairment losses on financing assets	(52,169)	(53,730)
Impairment loss on investment in associate	-	(32,656)
Net impairment reversals on off balance sheet exposures subject to credit risk	7,656	3,676
NET PROFIT FOR THE PERIOD BEFORE RETURN TO QUASI-EQUITY	687,240	525,716
Less: Net profit attributable to quasi-equity	(352,052)	(209,800)
NET PROFIT FOR THE PERIOD	335,188	315,916
BASIC AND DILUTED EARNINGS PER SHARE (QR PER SHARE)	0.22	0.21



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 OTHER COMPREHENSIVE INCOME

For the three-month period ended 31 March 2024

	<i>For the three-month period ended 31 March</i>	
	<i>2024 (Reviewed) QR'000</i>	<i>2023 (Unreviewed) QR'000</i>
NET PROFIT FOR THE PERIOD	335,188	315,916
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to consolidated statement of income		
Fair value changes of equity-type investments carried at fair value through other comprehensive income	(466)	(184)
Items that are or maybe reclassified subsequently to consolidated statement of income		
Exchange difference arising on translation of foreign operations	(1,559)	-
Net change in the share of other comprehensive income of investment in associates	102	(116)
Share in the reserve attributable to quasi-equity	32	305
TOTAL OTHER COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(1,891)	5
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	333,297	315,921



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 INCOME AND ATTRIBUTION RELATED TO QUASI-EQUITY

For the three-month period ended 31 March 2024

	<i>For the three-month period ended 31 March</i>	
	<i>2024 (Reviewed) QR'000</i>	<i>2023 (Unreviewed) QR'000</i>
Net profit for the period before return to quasi-equity	687,240	315,916
Less: Income not attributable to quasi-equity	(244,350)	(122,891)
Add: Expenses not attributable to quasi-equity	-	-
Net profit attributable to quasi-equity before the Bank's share as Mudarib	442,890	193,025
Less: Bank's share as Mudarib	(398,601)	(173,722)
Add: Support provided by the Bank	307,763	190,497
NET PROFIT ATTRIBUTABLE TO QUASI-EQUITY	352,052	209,800
OTHER COMPREHENSIVE INCOME		
Items that are or may subsequently be classified to statement of income		
Share in the reserve attributable to quasi-equity	(32)	(305)
TOTAL OTHER COMPREHENSIVE LOSS FOR THE PERIOD	(32)	(305)
TOTAL PROFIT ATTRIBUTABLE TO QUASI-EQUITY	352,020	209,495



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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the three-month period ended 31 March 2024

	<i>Notes</i>	<i>Share capital</i> <i>QR'000</i>	<i>Legal reserve</i> <i>QR'000</i>	<i>Risk reserve</i> <i>QR'000</i>	<i>Fair value reserve</i> <i>QR'000</i>	<i>Foreign currency translation reserve</i> <i>QR'000</i>	<i>Other reserves</i> <i>QR'000</i>	<i>Retained earnings</i> <i>QR'000</i>	<i>Sukuk eligible as additional capital</i> <i>QR'000</i>	<i>Total owners' equity</i> <i>QR'000</i>
Balance at 1 January 2024 (Audited)		1,513,687	2,452,360	886,173	2,742	-	81,974	2,476,696	2,092,450	9,506,082
Net income for the period		-	-	-	-	-	-	335,188	-	335,188
Other comprehensive loss for the period		-	-	-	(332)	(1,559)	-	-	-	(1,891)
Total comprehensive income for the period		-	-	-	(332)	(1,559)	-	335,188	-	333,297
Cash dividend proposed to shareholders	15	-	-	-	-	-	-	(681,159)	-	(681,159)
Net movement in other reserves	14	-	-	-	-	-	(1,187)	1,187	-	-
Balance at 31 March 2024 (Reviewed)		<u>1,513,687</u>	<u>2,452,360</u>	<u>886,173</u>	<u>2,410</u>	<u>(1,559)</u>	<u>80,787</u>	<u>2,131,912</u>	<u>2,092,450</u>	<u>9,158,220</u>
Balance at 1 January 2023 (Audited)		1,513,687	2,452,360	852,234	2,693	-	80,787	2,081,000	2,092,450	9,075,211
Net income for the period		-	-	-	-	-	-	315,916	-	315,916
Other comprehensive income for the period		-	-	-	5	-	-	-	-	5
Total comprehensive income for the period		-	-	-	5	-	-	315,916	-	315,921
Cash dividend proposed to shareholders	15	-	-	-	-	-	-	(605,475)	-	(605,475)
Net movement in other reserves	14	-	-	-	-	-	(984)	984	-	-
Balance at 31 March 2023 (Reviewed)		<u>1,513,687</u>	<u>2,452,360</u>	<u>852,234</u>	<u>2,698</u>	<u>-</u>	<u>79,803</u>	<u>1,792,425</u>	<u>2,092,450</u>	<u>8,785,657</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.

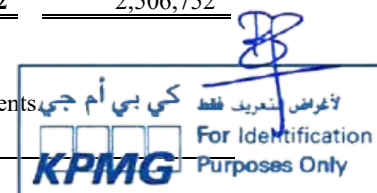
Qatar International Islamic Bank (Q.P.S.C.)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three-month period ended 31 March 2024

	<i>For the three-month period ended 31</i>	
	<i>March</i>	
<i>Note</i>	<i>2024</i> <i>(Reviewed)</i> <i>QR'000</i>	<i>2023</i> <i>(Reviewed)</i> <i>QR'000</i>
Cash flows from operating activities		
Net profit for the period	335,188	315,916
<i>Adjustments for:</i>		
Net impairment losses on financing assets	52,169	53,730
Net impairment reversals on investment securities	(862)	(10,025)
Impairment loss on investment in associate	-	32,656
Net impairment reversals on off balance sheet exposures subject to credit risk	(7,656)	(3,676)
Net impairment losses / (reversals) on due from banks	77	(10)
Foreign exchange gain on translation of investment in associate	-	(1,112)
Gain on disposal of fixed assets	(9)	-
Depreciation of investment properties	7,125	7,091
Depreciation of fixed assets and amortisation of intangible assets	5,683	8,051
Net share of results of investment in associates	(292)	(431)
Fair value losses on investment security carried at fair value through income statement	57	132
Sukuk amortisation	(1,998)	824
Employees' end of service benefits	2,385	1,181
Profit before changes in operating assets and liabilities	391,867	404,327
Working capital changes:		
Cash reserve with Qatar Central Bank	(32,720)	65,176
Due from banks	91,664	561,223
Financing assets	(1,014,898)	10,902
Other assets	(5,889)	41,206
Due to banks	1,106,567	(1,049,974)
Customers' current accounts	39,696	(541,552)
Other liabilities	(35,922)	(79,711)
	540,365	(588,403)
Employees' end of service benefits paid	(1,928)	(722)
Net cash flows generated from / (used in) operating activities	538,437	(589,125)
Cash flows from investing activities		
Acquisition of investment securities	(1,273,471)	(244,135)
Proceeds from sale/redemption of investment securities	1,274,376	1,369,126
Acquisition of fixed assets	(979)	-
Addition on investment in associate	-	(28,640)
Acquisition of intangible assets	(49)	-
Dividend received from associates	1,470	1,470
Proceeds from sale of fixed assets	9	-
Acquisition of investment in properties	(440)	-
Net cash flows generated from investing activities	916	1,097,821
Cash flows from financing activities		
Change in quasi-equity	729,390	472,473
Net settlement of sukuk financing	(910,375)	-
Cash dividends paid to shareholders	(354)	(545,366)
Net cash flows used in financing activities	(181,339)	(72,893)
Net increase in cash and cash equivalents	358,014	435,803
Cash and cash equivalents at 1 January	5,376,338	2,070,949
Cash and cash equivalents at 31 March	5,734,352	2,506,752

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 three-month period ended 31 March 2024

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’s equity shares are listed and 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 Oryx Ltd (previously “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 Oryx Ltd (previously “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.

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

The reviewed interim condensed consolidated financial statements of the Group for the period ended 31 March 2024 were authorized for issuance in accordance with a resolution of the Board of Directors on 29 April 2024.

1.1 Shari’ah governance framework

The Group follows Accounting and Auditing Organization for Islamic Financial Institutions (“AAOIFI”) Governance Standards (GSs) in their entirety along with the regulators’ requirements related to Shari’ah governance / Shari’ah governance framework. In line with the requirements of the same, the Group has a comprehensive governance mechanism comprising of Shari’ah supervisory board, Shari’ah compliance function, internal Shari’ah audit, external Shari’ah audit, etc. These functions perform their responsibilities in line with AAOIFI GSs as well as the regulators’ requirements related to Shari’ah governance. The GSs also require the Board of Directors and those charged with governance to discharge their duties in line with Shari’ah governance and fiduciary responsibilities.

1.2 Shari’ah principles and rules

The Group follows the hierarchy of Shari’ah principles and rules as defined in paragraph 165 of FAS 1 “General Presentation and Disclosures in the Financial Statements”.

2 BASIS OF PREPARATION

(a) Statement of compliance

The interim condensed consolidated financial statements have 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”). QCB has mandated certain modifications through circulars issued, namely Circular No. 12 / 2020 on 29 April 2020 (the effective date), which amends the requirements of FAS 33 “Investments in Sukuk, shares and similar instruments” and FAS 30 “Impairment, credit losses and onerous commitments”, and requires Islamic banks to follow the principles of the International Financial Reporting Standard 9 “Financial Instruments” in respect of impairment of equity-type investments carried at Fair Value Through Equity. QCB circular No. 12 / 2020 also modifies the requirements of FAS 1 “General Presentation and Disclosure in the Financial Statements of Islamic Banks and Financial Institutions” in respect of retrospective adoption and disclosures related to the change in accounting policy. Accordingly, the Bank has adopted the circular from the effective date and the changes to the accounting policies have been adopted prospectively. Furthermore, QCB has issued a circular dated 11 April 2021 requesting Islamic banks in Qatar to perform an impact assessment of FAS 32 “Ijarah” on their assets, liabilities, income account, interim profit, capital adequacy, liquidity, any relevant financial indicators for submission to the QCB before adoption of the standard is permitted. AAOIFI issued FAS 32 “Ijarah” in 2019, superseding FAS 8 “Ijarah and Ijarah Muntahia Bittamleek” which was originally issued in 1997, with the aim of 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. The Bank has performed this impact assessment during 2021 and submitted the results to the QCB. According to the assessment made, the impact is not

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three-month period ended 31 March 2024

2 BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

considered to be material to the interim condensed consolidated financial statement of the Bank as a whole, and implementation of this standard by Islamic banks in Qatar will be made in line with QCB instructions as and when issued.

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 2023. 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 2023 except for the adoption of new and amended standards as set out in note 2 (d). In addition, results for the three-month period ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

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 same as those that applied to the consolidated financial statements for the year ended 31 December 2023.

(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 other comprehensive income (OCI), Investments at fair value through income statement and Shari'ah compliant risk management instruments.

(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 2024

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 FAS's. 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.

The Group has adopted this standard from its effective date and applied changes in certain presentation and disclosures in its condensed consolidated interim financial statements. The Group shall implement any subsequent guidelines or amendments to the standard that may be issued by the QCB. The adoption of this standard did not have any significant impact on recognition and measurement.

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 Quassi 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.

2 BASIS OF PREPARATION (CONTINUED)

(e) New standards, amendments and interpretations issued but not effective from 1 January 2024

FAS 45 Quasi Equity (Including investment accounts)

AAOIFI has issued the revised FAS 45 Quasi Equity (Including investment accounts) in 2023. This standard prescribes the principles of financial reporting related to the participatory investment instruments (including investment accounts) in which an Islamic financial institution (IFI / the institution) controls the underlying assets (mostly, as a working partner), on behalf of the stakeholders other than the owners' equity. Such instruments (including, in particular, the unrestricted investment accounts) normally qualify for on-balance sheet accounting and are reported as quasi-equity.

This standard provides the overall criteria for on-balance-sheet accounting for participatory investment instruments and quasi-equity, as well as, pooling, recognition, derecognition, measurement, presentation and disclosure for quasi-equity. It further addresses financial reporting related to other quasi-equity instruments and certain specific issues.

This standard is effective for the financial reporting periods beginning on or after 1 January 2026 with an option to early adopt.

The Group is assessing the impact of adoption of this standard.

FAS 46 Off-Balance-Sheet assets under management

AAOIFI has issued the revised FAS 46 Off-Balance-Sheet assets under management in 2023. This standard prescribes the criteria for characterisation of off-balance-sheet assets under management, and the related principles of financial reporting in line with the "AAOIFI Conceptual Framework for Financial Reporting" (the conceptual framework).

The standard encompasses the aspects of recognition, derecognition, measurement, selection and adoption of accounting policies, etc., related to off-balance-sheet assets under management, as well as certain specific aspects. of financial reporting, e.g., impairment and onerous commitments by the institution. The standard also includes the presentation and disclosure requirements, particularly aligning the same with the requirements of FAS 1 "General Presentation and Disclosures in the Financial Statements". in respect of the statement of changes in off-balance-sheet assets under management.

This standard, along with, FAS 45 "Quasi Equity "(Including Investment Accounts)", supersedes the earlier FAS 27 "Investment Accounts". This standard is effective for the financial reporting periods beginning on or after 1 January 2026 with an option to early adopt.

The Group is assessing the impact of adoption of this standard.

FAS 47 Transfer of assets between investment pools

AAOIFI has issued the revised FAS 47 Transfer of assets between investment pools in 2023. This standard prescribes the financial reporting principles and disclosure requirements. applicable to all transfers of assets between investment pools related to (and where material, between significant categories of) owners' equity, quasi-equity and off-balance-sheet assets under management of an institution. It requires adoption and consistent application of accounting policies for such transfers in line with Shari'ah principles and rules and describes general disclosure requirements in this respect.

This standard is effective for the financial reporting periods beginning on or after 1 January 2026 with an option to early adopt.

The Group is assessing the impact of adoption of this standard.

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 three-month period ended 31 March 2024

3 SEGMENT INFORMATION (CONTINUED)

<i>Three-month ended 31 March 2024 (Reviewed)</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	361,411	254,699	109,235	725,345
Net fee and commission income	45,824	34,567	-	80,391
Net foreign exchange gain	-	-	15,524	15,524
Net share of results of investment in associates	-	-	292	292
Total segment income	407,235	289,266	125,051	821,552
Net impairment losses on due from banks	-	-	(77)	(77)
Net impairment reversal on investments securities	-	-	862	862
Net impairment losses on financing assets	(35,665)	(16,504)	-	(52,169)
Net impairment reversal on off balance sheet exposures subject to credit risk	7,656	-	-	7,656
Net profit attributable to quasi-equity	(173,320)	(178,732)	-	(352,052)
Reportable segment net profit before non-segmented expenses	205,906	94,030	125,836	425,772
<i>Three-month ended 31 March 2023 (Reviewed)</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	332,675	196,233	72,908	601,816
Net fee and commission income	32,648	27,531	-	60,179
Net foreign exchange gain	-	-	21,485	21,485
Share of results of investments in associates	-	-	431	431
Total segment income	365,323	223,764	94,824	683,911
Net impairment reversals on due from banks	-	-	10	10
Net impairment reversals on investments securities	-	-	10,025	10,025
Net impairment (losses) reversals on financing assets	(73,120)	19,390	-	(53,730)
Impairment loss on investment in associate	-	-	(32,656)	(32,656)
Net impairment losses on off balance sheet exposures subject to credit risk	3,676	-	-	3,676
Net profit attributable to quasi-equity	(93,549)	(116,251)	-	(209,800)
Reportable segment net profit before non-segmented expenses	202,330	126,903	72,203	401,436
<i>31 March 2024 (Reviewed)</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	23,256,645	14,205,521	22,593,548	60,055,714
Reportable segment liabilities and quasi-equity	15,513,807	24,189,128	12,412,585	52,115,520

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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 2023 (Audited)</i>				
Reportable segment assets	<u>21,878,154</u>	<u>14,621,283</u>	<u>22,352,612</u>	<u>58,852,049</u>
Reportable segment liabilities and quasi-equity	<u>15,855,246</u>	<u>23,078,635</u>	<u>12,239,767</u>	<u>51,173,648</u>

The tables below provide reconciliation of reportable segment revenues, profit, assets, liabilities and quasi-equity:

	<i>For the three-month period ended 31 March</i>	
	<i>2024 (Reviewed) QR'000</i>	<i>2023 (Reviewed) QR'000</i>
Reportable segment net profit before allocation of expenses	425,772	401,436
Unallocated expenses	<u>(90,584)</u>	<u>(85,520)</u>
Consolidated net profit for the period	<u>335,188</u>	<u>315,916</u>
	<i>31 March 2024 (Reviewed) QR'000</i>	<i>31 December 2023 (Audited) QR'000</i>
Assets		
Total assets for reportable segments	60,055,714	58,852,049
Other unallocated amounts	<u>2,852,488</u>	<u>2,774,226</u>
Consolidated total assets	<u>62,908,202</u>	<u>61,626,275</u>
Liabilities and quasi-equity		
Total liabilities and quasi-equity for reportable segments	52,115,520	51,173,648
Other unallocated amounts	<u>1,634,462</u>	<u>946,545</u>
Consolidated total liabilities and quasi-equity	<u>53,749,982</u>	<u>52,120,193</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 main financial assets and financial liabilities:

<i>31 March 2024 (Reviewed)</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	-	-	2,508,345	2,508,345	2,508,345
Due from banks	-	-	13,878,936	13,878,936	13,878,936
Investment securities:					
- Measured at fair value	772	24,552	-	25,324	25,324
- Measured at amortised cost	-	-	7,812,324	7,812,324	7,660,682
Other assets (excluding non-financial assets)	2,923	-	39,851	42,774	42,774
	<u>3,695</u>	<u>24,552</u>	<u>24,239,456</u>	<u>24,267,703</u>	<u>24,116,061</u>
Due to banks	-	-	10,574,245	10,574,245	10,574,245
Customers' current accounts	-	-	6,421,368	6,421,368	6,421,368
Sukuk financing	-	-	1,838,340	1,838,340	1,838,340
Other liabilities	3,965	-	1,630,497	1,634,462	1,634,462
Quasi-equity	-	-	33,281,567	33,281,567	33,281,567
	<u>3,965</u>	<u>-</u>	<u>53,746,017</u>	<u>53,749,982</u>	<u>53,749,982</u>

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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 2023 (Audited)</i>					
Cash and balances with Qatar					
Central Bank	-	-	3,623,638	3,623,638	3,623,638
Due from banks	-	-	12,464,650	12,464,650	12,464,650
Investment securities:					
- Measured at fair value	829	25,207	-	26,036	26,036
- Measured at amortised cost	-	-	7,783,321	7,783,321	7,640,843
Other assets (excluding non-financial assets)	19,194	-	36,232	55,426	55,426
	<u>20,023</u>	<u>25,207</u>	<u>23,907,841</u>	<u>23,953,071</u>	<u>23,810,593</u>
Due to banks	-	-	9,467,678	9,467,678	9,467,678
Customers' current accounts	-	-	6,381,672	6,381,672	6,381,672
Sukuk financing	-	-	2,772,089	2,772,089	2,772,089
Other liabilities	16,819	-	929,726	946,545	946,545
Quasi-equity	-	-	32,552,209	32,552,209	32,552,209
	<u>16,819</u>	<u>-</u>	<u>52,103,374</u>	<u>52,120,193</u>	<u>52,120,193</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>31 March 2023 (Reviewed)</i>					
Cash and balances with Qatar					
Central Bank	-	-	2,400,993	2,400,993	2,400,993
Due from banks	-	-	9,659,429	9,659,429	9,659,429
Investment securities:					
- Measured at fair value	690	24,801	-	25,491	25,491
- Measured at amortised cost	-	-	6,604,374	6,604,374	6,400,894
Other assets (excluding non-financial assets)	2,846	-	64,043	66,889	66,889
	<u>3,536</u>	<u>24,801</u>	<u>18,728,839</u>	<u>18,757,176</u>	<u>18,553,696</u>
Due to banks	-	-	5,867,606	5,867,606	5,867,606
Customers' current accounts	-	-	7,261,436	7,261,436	7,261,436
Sukuk financing	-	-	2,759,308	2,759,308	2,759,308
Other liabilities	2,624	-	903,042	905,666	905,666
Quasi-equity	-	-	29,375,539	29,375,539	29,375,539
	<u>2,624</u>	<u>-</u>	<u>46,166,931</u>	<u>46,169,555</u>	<u>46,169,555</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 7,812 million (31 December 2023: QAR 7,783 million, 31 March 2023: QR 6,604 million) for which the fair value amounts to QAR 7,661 million (31 December 2023: QAR 7,641 million, 31 March 2023: QR 6,401 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 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>	
31 March 2024 (Reviewed)				
- Quoted equity-type investments classified as FVTIS	772	-	-	772
- Quoted equity-type investments classified as FVTOCI	18,996	-	-	18,996
- Unquoted equity-type investments classified as FVTOCI	-	-	5,556	5,556

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4 FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTINUED)

	<i>Fair value measurement using</i>			<i>Total</i> <i>QR'000</i>
	<i>Quoted</i> <i>prices in</i> <i>active</i> <i>markets</i> <i>(Level 1)</i> <i>QR'000</i>	<i>Significant</i> <i>observable</i> <i>inputs</i> <i>(Level 2)</i> <i>QR'000</i>	<i>Significant</i> <i>unobservable</i> <i>inputs</i> <i>(Level 3)</i> <i>QR'000</i>	
<i>31 December 2023 (Audited)</i>				
- Quoted equity-type investments classified as FVTIS	829	-	-	829
- Quoted equity-type investments classified as FVTOCI	19,474	-	-	19,474
- Unquoted equity-type investments classified as FVTOCI	-	-	5,733	5,733
<i>31 March 2023 (Reviewed)</i>				
- Quoted equity-type investments classified as FVTIS	690	-	-	690
- Quoted equity-type investments classified as FVTOCI	18,821	-	-	18,821
- Unquoted equity-type investments classified as FVTOCI	-	-	5,980	5,980

FVTIS – Fair value through income statement

FVTOCI - Fair value through other comprehensive income

There have been no transfers between level 1 and level 2 during the periods ended 31 March 2024 and 2023 and the year ended 31 December 2023.

Details of the Group's classification of financial investments are given in note 7.

5 DUE FROM BANKS

	<i>31 March</i> <i>2024</i> <i>(Reviewed)</i> <i>QR'000</i>	<i>31 December</i> <i>2023</i> <i>(Audited)</i> <i>QR'000</i>	<i>31 March</i> <i>2023</i> <i>(Reviewed)</i> <i>QR'000</i>
Mudaraba placements	3,223,524	2,053,506	312,040
Commodity Murabaha receivable	10,254,588	10,027,772	8,952,652
Current accounts	110,663	133,756	184,289
Accrued profit	291,480	250,858	210,963
	13,880,255	12,465,892	9,659,944
Allowance for expected credit losses of due from banks (stages 1 and 2)	(1,319)	(1,242)	(515)
Total	13,878,936	12,464,650	9,659,429

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6 FINANCING ASSETS

• **By type**

	<i>31 March 2024 (Reviewed) QR'000</i>	<i>31 December 2023 (Audited) QR'000</i>	<i>31 March 2023 (Reviewed) QR'000</i>
Murabaha and Musawama	34,110,109	32,813,156	30,627,542
Ijarah Muntahia Bittamleek	5,680,837	5,804,469	5,982,873
Istisn'a	89,774	92,972	102,257
Mudaraba	573,661	680,169	821,193
Musharaka	-	82	561
Others	291,751	299,305	306,534
Accrued Profit	340,647	337,577	305,013
Total financing assets	41,086,779	40,027,730	38,145,973
Less: Deferred profit	(1,844,760)	(1,834,168)	(1,542,845)
Allowance for expected credit losses (stages 1 and 2)	(590,187)	(672,847)	(557,756)
Allowance for credit impairment (stage 3)	(1,086,570)	(950,932)	(1,005,519)
Suspended profit	(103,096)	(70,346)	(82,769)
Net financing assets	37,462,166	36,499,437	34,957,084

Total carrying amount of Istisn'a contracts under processing is QR 82 million as at 31 March 2024 (31 March 2023: 7 million; 31 December 2023: QR 89 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 140 thousand as at 31 March 2024 (31 March 2023: QR 208 thousand; 31 December 2023: QR 7.36 million).

The total non-performing financing assets net of deferred profit at 31 March 2024 amounted to QR 1,256 million, representing 3.20% of the gross financing assets (31 March 2023: QR 1,104 million, representing 3.02%; 31 December 2023: QR 1,098 million, representing 2.88%).

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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7 INVESTMENT SECURITIES

	<i>31 March 2024(Reviewed)</i>			<i>31 December 2023(Audited)</i>			<i>31 March 2023 (Reviewed)</i>		
	<i>Quoted QR'000</i>	<i>Unquoted QR'000</i>	<i>Total QR'000</i>	<i>Quoted QR'000</i>	<i>Unquoted QR'000</i>	<i>Total QR'000</i>	<i>Quoted QR'000</i>	<i>Unquoted QR'000</i>	<i>Total QR'000</i>
<i>Investments classified at fair value through income statement</i>									
- Equity-type investments	<u>772</u>	<u>-</u>	<u>772</u>	<u>829</u>	<u>-</u>	<u>829</u>	<u>690</u>	<u>-</u>	<u>690</u>
	<u>772</u>	<u>-</u>	<u>772</u>	<u>829</u>	<u>-</u>	<u>829</u>	<u>690</u>	<u>-</u>	<u>690</u>
<i>Debt-type investments classified at amortised cost</i>									
- State of Qatar Sukuk	-	5,197,444	5,197,444	-	5,177,079	5,177,079	-	4,370,000	4,370,000
- Fixed rate	2,542,549	-	2,542,549	2,525,091	-	2,525,091	2,193,834	-	2,193,834
- Accrued profit	58,848	28,205	87,053	64,402	32,333	96,735	25,950	32,767	58,717
- Less: allowance for expected credit losses (stage 1 and 2)	(14,722)	-	(14,722)	(15,584)	-	(15,584)	(18,177)	-	(18,177)
	<u>2,586,675</u>	<u>5,225,649</u>	<u>7,812,324</u>	<u>2,573,909</u>	<u>5,209,412</u>	<u>7,783,321</u>	<u>2,201,607</u>	<u>4,402,767</u>	<u>6,604,374</u>
<i>Equity-type investments classified at fair value through equity</i>									
	<u>18,996</u>	<u>5,556</u>	<u>24,552</u>	<u>19,474</u>	<u>5,733</u>	<u>25,207</u>	<u>18,821</u>	<u>5,980</u>	<u>24,801</u>
Total	<u>2,606,443</u>	<u>5,231,205</u>	<u>7,837,648</u>	<u>2,594,212</u>	<u>5,215,145</u>	<u>7,809,357</u>	<u>2,221,118</u>	<u>4,408,747</u>	<u>6,629,865</u>

Notes:

- (i) The fair value of the investments carried at amortized cost as at 31 March 2024 amounted to QR 7,661 million (31 March 2023: QR 6,401 million; 31 December 2023: QR 7,641 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 672 million (31 March 2023: QR Nil; 31 December 2022: QR Nil).

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8 DUE TO BANKS

	<i>31 March 2024 (Reviewed) QR'000</i>	<i>31 December 2023 (Audited) QR'000</i>	<i>31 March 2023 (Reviewed) QR'000</i>
Wakala payable	10,236,290	9,166,337	5,622,257
Current accounts	233,610	215,067	214,422
Profit payable	104,345	86,274	30,927
Total	10,574,245	9,467,678	5,867,606

Wakala payable includes various facilities with maturities ranging from 1 day to 640 days (31 March 2023: 7 days to 1 year; 31 December 2023: 5 days to 5 years) and carries profit rates of 0.11% to 6.3% (31 March 2023: 0.08% up to 5.95%; 31 December 2023: 0.11% up to 6.3% per year).

9 SUKUK FINANCING

Instrument	Issue date	Coupon rate	Issued amount QR'000	<i>31 March 2024 (Reviewed) QR'000</i>	<i>31 December 2023 (Audited) QR'000</i>	<i>31 March 2023 (Reviewed) QR'000</i>
QIIB Senior Oryx	January 2024	5.2%	1,820,750	1,838,340	-	-
QIIB Sukuk 2024	March 2019	4.2%	1,820,750	-	1,845,919	1,824,829
QIIB Sukuk 2024	October 2021	4.2%	910,375	-	926,170	934,479
Total balance				1,838,340	2,772,089	2,759,308

10 PARTICIPATORY INVESTMENT ACCOUNTS

	<i>31 March 2024 (Reviewed) QR'000</i>	<i>31 December 2023 (Audited) QR'000</i>	<i>31 March 2023 (Reviewed) QR'000</i>
Term accounts	26,254,702	25,640,808	21,478,438
Savings accounts	7,022,496	6,907,000	7,892,864
	33,277,198	32,547,808	29,371,302
Reserves attributable to quasi-equity	4,369	4,401	4,237
Total	33,281,567	32,552,209	29,375,539

All participatory investment accounts are unrestricted balances as of 31 March 2024, 31 December 2023, and 31 March 2023.

11 SHARE CAPITAL

	<i>Number of shares (thousand)</i>		
	<i>31 March 2024 (Reviewed) QR'000</i>	<i>31 December 2023 (Audited) QR'000</i>	<i>31 March 2023 (Reviewed) 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 2023 and March 2023: 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 reserve 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>31 March 2024 (Reviewed) QR'000</i>	<i>31 December 2023 (Audited) QR'000</i>	<i>31 March 2023 (Reviewed) QR'000</i>
Balance at 1 January	81,974	80,787	80,787
Undistributed profit of associates of the period/year	283	2,657	486
Dividend received from associates	(1,470)	(1,470)	(1,470)
Total	80,787	81,974	79,803

15 CASH DIVIDENDS PAID TO THE SHAREHOLDERS

On 31 March 2024 the General Assembly of shareholders approved cash dividends of 45% of the paid up share capital amounting to QR 681 million (2022: 40% of the paid up share capital amounting to QR 605 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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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 31 March</i>	
	<i>2024 (Reviewed) QR'000</i>	<i>2023 (Reviewed) QR'000</i>
Profit for the period attributable to the shareholders of the Bank	<u>335,188</u>	315,916
Weighted average number of shares outstanding during the period (Note 11)	<u>1,513,687</u>	1,513,687
Basic earnings per share (QR)	<u>0.22</u>	<u>0.21</u>

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>31 March 2024 (Reviewed) QR'000</i>	<i>31 December 2023 (Audited) QR'000</i>	<i>31 March 2023 (Reviewed) QR'000</i>
Cash and balances with Qatar Central Bank (excluding restricted QCB reserve account)	<u>580,574</u>	1,728,587	701,308
Due from banks	<u>5,153,778</u>	3,647,751	1,805,444
	<u>5,734,352</u>	<u>5,376,338</u>	<u>2,506,752</u>

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>31 March 2024 (Reviewed) QR'000</i>	<i>31 December 2023 (Audited) QR'000</i>	<i>31 March 2023 (Reviewed) QR'000</i>
a) Contingent liabilities			
Unused financing facilities	<u>5,862,497</u>	5,050,844	8,565,297
Guarantees	<u>5,800,721</u>	5,815,653	5,622,149
Letters of credit	<u>343,106</u>	292,909	388,236
Others	<u>13,220</u>	19,376	10,611
	<u>12,019,544</u>	<u>11,178,782</u>	<u>14,586,293</u>
b) Commitments			
Forward foreign exchange promissory contracts	<u>2,108,760</u>	2,325,623	1,515,727
	<u>2,108,760</u>	<u>2,325,623</u>	<u>1,515,727</u>
	<u>14,128,304</u>	<u>13,504,405</u>	<u>16,102,020</u>

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20 RELATED PARTIES TRANSACTIONS

Parties are considered to be related if one party have 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 and others include shari'a supervisory members and any entity in which Bord of Directors owns a sufficient holding of its voting ownership, 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>31 March 2024 (Reviewed)</i>			<i>31 December 2023 (Audited)</i>			<i>31 March 2023 (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>
Assets:									
Gross financing assets	<u>104</u>	<u>1,266,732</u>	<u>38,098</u>	<u>98</u>	<u>647,837</u>	<u>39,258</u>	<u>45</u>	<u>659,603</u>	<u>2,361</u>
Participatory investment accounts	<u>22,254</u>	<u>290,815</u>	<u>483,052</u>	<u>24,350</u>	<u>322,525</u>	<u>21,422</u>	<u>19,004</u>	<u>325,525</u>	<u>13,883</u>
Off balance sheet items:									
Contingent liabilities and commitments	<u>91</u>	<u>12,921</u>	<u>29,807</u>	<u>223</u>	<u>10,123</u>	<u>32,441</u>	<u>322</u>	<u>6,875</u>	<u>2,514</u>

	<i>For the three-month period ended 31 March 2024 (Reviewed)</i>			<i>For the three-month period ended 31 March 2023 (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>
Consolidated statement of income items:						
Income from financing activities	<u>1</u>	<u>21,217</u>	<u>737</u>	<u>-</u>	<u>11,535</u>	<u>56</u>
Profit paid on deposits	<u>266</u>	<u>3,911</u>	<u>467</u>	<u>197</u>	<u>1,869</u>	<u>22</u>

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20 RELATED PARTIES TRANSACTIONS (CONTINUED)

Transactions with key management personnel

Key management personnel compensation for the period comprised:

	<i>For the three-month period ended 31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<i>QR'000</i>	<i>QR'000</i>
Short term benefits	4,155	3,796
Long term benefits	466	411
	4,621	4,207

Key management personnel with the Group during the period as follows:

	<i>For the three-month period ended 31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<i>QR'000</i>	<i>QR'000</i>
Mortgage and other secured financing	1,992	2,085
Credit cards	133	529
	2,125	2,614

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.

As per Qatar Central Bank regulations, the capital adequacy ratio of the Group is calculated in accordance with the new Basel III guidelines starting from the period ended 31 March 2024.

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

	<i>31 March 2024</i>	<i>31 December 2023</i>	<i>31 March 2023</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	9,131,081	8,338,484	8,435,936
Tier 2 capital	586,105	602,184	561,987
Total eligible capital	9,717,186	8,940,668	8,997,923

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21 REGULATORY DISCLOSURES (CONTINUED)

Risk weighted assets

	<i>31 March 2024 (Reviewed) QR'000</i>	<i>31 December 2023 (Audited) QR'000</i>	<i>31 March 2023 (Reviewed) QR'000</i>
Risk weighted assets for credit risk	46,700,001	48,174,705	44,958,918
Risk weighted assets for market risk	2,992,179	759,271	417,459
Risk weighted assets for operational risk	2,714,654	3,664,507	3,664,507
Total risk weighted assets	52,406,834	52,598,483	49,040,884
Regulatory Capital	9,717,186	8,940,668	8,997,923
Common Equity Tier 1 (CET 1) Capital Adequacy Ratio*	13.43%	11.87%	12.94%
Total Capital Adequacy Ratio*	18.54%	17.00%	18.35%

	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
2024						
Actual	13.43%	13.43%	17.42%	18.54%	18.54%	18.54%
Minimum limit as per QCB	6.00%	8.50%	10.50%	12.50%	12.50%	14.59%
2023						
Actual	11.87%	11.87%	15.85%	17.00%	17.00%	17.00%
Minimum limit as per QCB	6.00%	8.50%	10.50%	12.50%	12.50%	14.59%

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22 FINANCIAL RISK MANAGEMENT

22.1 Exposures subject to credit risk

Exposures and movement of expected credit loss / impairment allowances:

	31 March 2024				31 December 2023 QR'000
	Stage 1 QR'000	Stage 2 QR'000	Stage 3 QR'000	Total QR'000	
Exposures subject to ECL					
Due from banks	13,870,498	9,757	-	13,880,255	12,465,892
Debt-type investments classified at amortised cost	7,652,500	174,546	-	7,827,046	7,798,905
Financing assets*	34,109,064	3,876,625	1,256,330	39,242,019	38,193,562
Off balance sheet exposures subject to credit risk	11,014,725	971,688	33,131	12,019,544	11,178,782
	66,646,787	5,032,616	1,289,461	72,968,864	69,637,141
*Net of deferred profits					
Opening balance of expected credit losses / impairment losses as at 1 January 2024					31 March 2023
Due from banks	1,240	2	-	1,242	525
Debt-type investments classified at amortised cost	7,909	7,675	-	15,584	28,202
Financing assets	238,548	434,299	950,932	1,623,779	1,509,282
Off balance sheet exposures subject to credit risk	40,366	44,477	-	84,843	109,189
Net transfer between stages					
Due from banks	-	-	-	-	-
Debt-type investments classified at amortised cost	-	-	-	-	-
Financing assets	(13,747)	(7,902)	21,649	-	-
Off balance sheet exposures subject to credit risk	(13)	13	-	-	-
	(13,760)	(7,889)	21,649	-	-

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22 FINANCIAL RISK MANAGEMENT (CONTINUED)

22.1 Exposures subject to credit risk (continued)

	31 March 2024				31 March 2023 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	-	-	(43)	(43)	(142)
Off balance sheet exposures subject to credit risk	-	-	-	-	-
Charge / (reversal) for the period (net)					
Due from banks	76	1	-	77	(10)
Debt-type investments classified at amortised cost	(592)	(270)	-	(862)	(10,025)
Financing assets	(36,114)	(24,897)	113,180	52,169	53,730
Recovery /Reclassification from off-balance sheet to on balance sheet	-	-	852	852	405
Off balance sheet exposures subject to credit risk	892	(8,548)	-	(7,656)	(3,676)
	<u>(35,738)</u>	<u>(33,714)</u>	<u>114,032</u>	<u>44,580</u>	<u>40,424</u>
Closing balance of expected credit losses / impairment losses - as at 31 March					
Due from banks	1,316	3	-	1,319	515
Debt-type investments classified at amortised cost	7,317	7,405	-	14,722	18,177
Financing assets	188,687	401,500	1,086,570	1,676,757	1,563,275
Off balance sheet exposures subject to credit risk	41,245	35,942	-	77,187	105,514
	<u>238,565</u>	<u>444,850</u>	<u>1,086,570</u>	<u>1,769,985</u>	<u>1,687,481</u>

23 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified where necessary, to conform with current period presentation. Such reclassifications did not affect the previously reported profit or equity.