

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

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**

**30 June 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 six-month period ended 30 June 2024, which comprise:

- the interim consolidated statement of financial position as at 30 June 2024;
- the interim consolidated statement of income for the three-month and six-month periods ended 30 June 2024;
- the interim consolidated statement of comprehensive income for the three-month and six-month periods ended 30 June 2024;
- the interim consolidated statement of income and attribution related to quasi-equity for the three-month and six-month periods ended 30 June 2024;
- the interim consolidated statement of changes in owners' equity for the six-month period ended 30 June 2024;
- the interim consolidated statement of cash flows for the six-month period ended 30 June 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 30 June 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.

21 July 2024  
Doha  
State of Qatar



Gopal Balasubramaniam  
KPMG  
Qatar Auditor's Registry Number 251  
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 June 2024

	Notes	30 June 2024 (Reviewed) QR'000	31 December 2023 (Audited) QR'000	30 June 2023 (Reviewed) QR'000
<b>ASSETS</b>				
Cash and balances with Qatar Central Bank		2,389,927	3,623,638	2,607,495
Due from banks	5	10,016,127	12,464,650	10,801,897
Financing assets	6	38,560,582	36,499,437	35,832,347
Investment securities	7	7,109,253	7,809,357	7,577,963
Investment in associates		152,755	154,004	189,932
Investments properties		628,566	642,386	655,551
Fixed assets		223,552	225,963	225,751
Intangible assets		43,129	32,092	30,747
Other assets		162,738	174,748	154,765
<b>TOTAL ASSETS</b>		<b>59,286,629</b>	<b>61,626,275</b>	<b>58,076,448</b>
<b>LIABILITIES, QUASI-EQUITY AND OWNERS' EQUITY</b>				
<b>LIABILITIES</b>				
Due to banks	8	6,689,210	9,467,678	8,737,126
Customers' current accounts		6,410,708	6,381,672	7,789,715
Sukuk financing	9	1,862,223	2,772,089	2,782,977
Other liabilities		906,111	946,545	1,016,371
<b>TOTAL LIABILITIES</b>		<b>15,868,252</b>	<b>19,567,984</b>	<b>20,326,189</b>
<b>QUASI-EQUITY</b>				
Participatory investment accounts	10	34,007,409	32,547,808	28,732,689
Reserves attributable to quasi-equity	10	4,541	4,401	4,918
<b>TOTAL QUASI-EQUITY</b>		<b>34,011,950</b>	<b>32,552,209</b>	<b>28,737,607</b>
<b>OWNERS' EQUITY</b>				
Share capital	11	1,513,687	1,513,687	1,513,687
Legal reserve	12	2,452,360	2,452,360	2,452,360
Risk reserve	13	886,173	886,173	852,234
Fair value reserve		2,455	2,742	3,154
Foreign currency translation reserve		(644)	-	-
Other reserves	14	81,537	81,974	80,556
Retained earnings		2,378,409	2,476,696	2,018,211
<i>Equity attributable to shareholders of the Bank</i>		7,313,977	7,413,632	6,920,202
Sukuk eligible as additional capital	16	2,092,450	2,092,450	2,092,450
<b>TOTAL OWNERS' EQUITY</b>		<b>9,406,427</b>	<b>9,506,082</b>	<b>9,012,652</b>
<b>TOTAL LIABILITIES, QUASI-EQUITY AND OWNERS' EQUITY</b>		<b>59,286,629</b>	<b>61,626,275</b>	<b>58,076,448</b>
<b>CONTINGENT LIABILITIES AND COMMITMENTS</b>				
	19	13,273,035	13,485,029	15,333,971

The interim condensed consolidated financial statements were approved by the Board of Directors on 21 July 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 and six-month periods ended 30 June 2024

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>
<i>Note</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Income from financing activities	650,201	557,417	1,266,311	1,086,325
Net income from investing activities	218,335	194,354	466,096	364,605
Finance expenses	(116,831)	(132,436)	(255,357)	(229,779)
<b>Total income from financing and investing activities, net of finance expenses</b>	<b>751,705</b>	<b>619,335</b>	<b>1,477,050</b>	<b>1,221,151</b>
Fee and commission income	117,916	91,452	223,257	176,490
Fee and commission expense	(33,785)	(23,983)	(58,735)	(48,842)
<b>Net fee and commission income</b>	<b>84,131</b>	<b>67,469</b>	<b>164,522</b>	<b>127,648</b>
Net foreign exchange gain	22,647	22,441	38,171	43,926
Net share of results of investment in associates	537	15	829	446
<b>TOTAL INCOME</b>	<b>859,020</b>	<b>709,260</b>	<b>1,680,572</b>	<b>1,393,171</b>
Staff expenses	(46,331)	(45,289)	(91,491)	(86,121)
Depreciation of fixed assets and amortisation of intangible assets	(5,733)	(5,626)	(11,416)	(13,677)
Other expenses	(47,868)	(38,247)	(87,609)	(74,884)
<b>TOTAL EXPENSES</b>	<b>(99,932)</b>	<b>(89,162)</b>	<b>(190,516)</b>	<b>(174,682)</b>
<b>NET OPERATING INCOME BEFORE IMPAIRMENT</b>	<b>759,088</b>	<b>620,098</b>	<b>1,490,056</b>	<b>1,218,489</b>
Net impairment reversals / (losses) on due from banks	307	(678)	230	(668)
Net impairment (losses) / reversals on investment securities	(56)	572	806	10,597
Net impairment losses on financing assets	(65,815)	(94,625)	(117,984)	(148,355)
Impairment loss on investment in associate	-	-	-	(32,656)
Net impairment reversals on off balance sheet exposures subject to credit risk	3,946	14,188	11,602	17,864
<b>NET PROFIT FOR THE PERIOD BEFORE RETURN TO QUASI-EQUITY</b>	<b>697,470</b>	<b>539,555</b>	<b>1,384,710</b>	<b>1,065,271</b>
Less: Net profit attributable to quasi-equity	(377,595)	(240,388)	(729,647)	(450,188)
<b>NET PROFIT FOR THE PERIOD</b>	<b>319,875</b>	<b>299,167</b>	<b>655,063</b>	<b>615,083</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE (QR PER SHARE)</b>	<b>0.16</b>	<b>0.15</b>	<b>0.38</b>	<b>0.36</b>



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 COMPREHENSIVE INCOME**

For the three-month and six-month periods ended 30 June 2024

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2024 (Reviewed) QR'000</i>	<i>2023 (Unreviewed) QR'000</i>	<i>2024 (Reviewed) QR'000</i>	<i>2023 (Unreviewed) QR'000</i>
<b>NET PROFIT FOR THE PERIOD</b>	<b>319,875</b>	<b>299,167</b>	<b>655,063</b>	<b>615,083</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that will not be reclassified subsequently to consolidated statement of income</b>				
Fair value changes of equity-type investments carried at fair value through other comprehensive income	283	1,247	(183)	1,063
<b>Items that are or maybe reclassified subsequently to consolidated statement of income</b>				
Exchange difference arising on translation of foreign operations	915	-	(644)	-
Net change in the share of other comprehensive income of investment in associates	(66)	(110)	36	(226)
Share in the reserve attributable to quasi-equity	(172)	(681)	(140)	(376)
<b>TOTAL OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>	<b>960</b>	<b>456</b>	<b>(931)</b>	<b>461</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>320,835</b>	<b>299,623</b>	<b>654,132</b>	<b>615,544</b>



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 and six-month periods ended 30 June 2024

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2024 (Reviewed) QR'000</i>	<i>2023 (Unreviewed) QR'000</i>	<i>2024 (Reviewed) QR'000</i>	<i>2023 (Unreviewed) QR'000</i>
<b>Net profit for the period before return to quasi-equity</b>	<b>697,470</b>	539,555	<b>1,384,710</b>	1,065,271
Less: Income not attributable to quasi-equity	<b>(241,591)</b>	(211,681)	<b>(485,941)</b>	(416,185)
<b>Net profit attributable to quasi-equity before the Bank's share as Mudarib</b>	<b>455,879</b>	327,874	<b>898,769</b>	649,086
Less: Bank's share as Mudarib	<b>(410,291)</b>	(295,086)	<b>(808,892)</b>	(584,177)
Add: Support provided by the Bank	<b>332,007</b>	207,600	<b>639,770</b>	385,279
<b>NET PROFIT ATTRIBUTABLE TO QUASI-EQUITY</b>	<b>377,595</b>	240,388	<b>729,647</b>	450,188
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that are or may subsequently be classified to statement of income</b>				
Share in the reserve attributable to quasi-equity	<b>172</b>	681	<b>140</b>	376
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>172</b>	681	<b>140</b>	376
<b>TOTAL PROFIT ATTRIBUTABLE TO QUASI-EQUITY</b>	<b>377,767</b>	241,069	<b>729,787</b>	450,564



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.

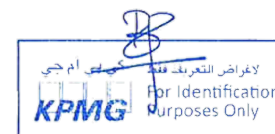
Qatar International Islamic Bank (Q.P.S.C.)

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY**

For the six-month period ended 30 June 2024

	Notes	Share capital QR'000	Legal reserve QR'000	Risk reserve QR'000	Fair value reserve QR'000	Foreign currency translation reserve QR'000	Other reserves QR'000	Retained earnings QR'000	Sukuk eligible as additional capital QR'000	Total owners' equity QR'000
<b>Balance at 1 January 2024 (Audited)</b>		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		-	-	-	-	-	-	655,063	-	655,063
Other comprehensive loss for the period		-	-	-	(287)	(644)	-	-	-	(931)
<b>Total comprehensive income for the period</b>		-	-	-	(287)	(644)	-	655,063	-	654,132
Cash dividend proposed to shareholders	15	-	-	-	-	-	-	(681,159)	-	(681,159)
Dividend appropriation to Sukuk eligible as Additional Tier 1 Capital	16	-	-	-	-	-	-	(72,628)	-	(72,628)
Net movement in other reserves	14	-	-	-	-	-	(437)	437	-	-
<b>Balance at 30 June 2024 (Reviewed)</b>		<b>1,513,687</b>	<b>2,452,360</b>	<b>886,173</b>	<b>2,455</b>	<b>(644)</b>	<b>81,537</b>	<b>2,378,409</b>	<b>2,092,450</b>	<b>9,406,427</b>
<b>Balance at 1 January 2023 (Audited)</b>		1,513,687	2,452,360	852,234	2,693	-	80,787	2,081,000	2,092,450	9,075,211
Net profit for the period		-	-	-	-	-	-	615,083	-	615,083
Other comprehensive income for the period		-	-	-	461	-	-	-	-	461
<b>Total comprehensive income for the period</b>		-	-	-	461	-	-	615,083	-	615,544
Cash dividend proposed to shareholders	15	-	-	-	-	-	-	(605,475)	-	(605,475)
Dividend appropriation to Sukuk eligible as Additional Tier 1 Capital	16	-	-	-	-	-	-	(72,628)	-	(72,628)
Net movement in other reserves	14	-	-	-	-	-	(231)	231	-	-
<b>Balance at 30 June 2023 (Reviewed)</b>		<b>1,513,687</b>	<b>2,452,360</b>	<b>852,234</b>	<b>3,154</b>	<b>-</b>	<b>80,556</b>	<b>2,018,211</b>	<b>2,092,450</b>	<b>9,012,652</b>

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 six-month period ended 30 June 2024

	<i>For the six-month period ended 30 June</i>	
	<i>2024 (Reviewed) QR'000</i>	<i>2023 (Reviewed) QR'000</i>
<b>Cash flows from operating activities</b>		
Net profit for the period	655,063	615,083
<i>Adjustments for:</i>		
Net impairment losses on financing assets	117,984	148,355
Net impairment reversals on investment securities	(806)	(10,597)
Impairment loss on investment in associate	-	32,656
Net impairment reversals on off balance sheet exposures subject to credit risk	(11,602)	(17,864)
Net impairment (reversals) / losses on due from banks	(230)	668
Foreign exchange gain on translation of investment in associate	-	(2,836)
(Gains) / losses on disposal of fixed assets	(9)	144
Depreciation of investment properties	14,264	14,285
Depreciation of fixed assets and amortisation of intangible assets	11,416	13,677
Gain on sale of investments securities	(207)	-
Dividend income	(427)	(1,073)
Net share of results of investment in associates	(829)	(446)
Fair value gain on investment security carried at fair value through income statement	(209)	(80)
Sukuk amortisation	(4,675)	1,481
Employees' end of service benefits	3,491	2,360
<b>Profit before changes in operating assets and liabilities</b>	<b>783,224</b>	<b>795,813</b>
<b>Working capital changes:</b>		
Cash reserve with Qatar Central Bank	57,802	20,757
Due from banks	1,012,513	(969,810)
Financing assets	(2,179,129)	(958,986)
Other assets	12,010	82,959
Due to banks	(2,778,468)	3,058,065
Customers' current accounts	29,036	(13,273)
Other liabilities	(75,721)	110,285
	<b>(3,138,733)</b>	<b>2,125,810</b>
Employees' end of service benefits paid	(2,685)	(1,158)
<b>Net cash flows (used in) / generated from operating activities</b>	<b>(3,141,418)</b>	<b>2,124,652</b>
<b>Cash flows from investing activities</b>		
Acquisition of investment securities	(1,870,963)	(2,488,590)
Proceeds from sale / redemption of investment securities	2,624,759	2,673,749
Acquisition of fixed assets	(1,858)	(1,269)
Acquisition of intangible assets	(18,184)	(87)
Addition on investment in associate	-	(28,640)
Acquisition of investment in properties	(444)	(643)
Proceeds from sale of fixed assets	9	4
Dividends received from investment in associates	1,470	1,470
Dividend income	427	1,073
<b>Net cash flows generated from investing activities</b>	<b>735,216</b>	<b>157,067</b>
<b>Cash flows from financing activities</b>		
Dividend appropriation to Sukuk eligible as additional Tier 1 capital	(72,628)	(72,628)
Change in quasi-equity	1,459,601	(1,404,659)
Cash dividends paid to shareholders	(682,545)	(594,433)
Net settlement of sukuk financing	(910,375)	-
<b>Net cash flows used in financing activities</b>	<b>(205,947)</b>	<b>(2,071,720)</b>
Net (decrease) / increase in cash and cash equivalents	(2,612,149)	209,999
Cash and cash equivalents at 1 January	5,376,338	2,070,949
<b>Cash and cash equivalents at 30 June</b>	<b>2,764,189</b>	<b>2,280,948</b>

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 six-month period ended 30 June 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 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’a Rules and Principles as determined by the Shari’a Supervisory Board of the Group and regulations of QCB.

The reviewed interim condensed consolidated financial statements of the Group for the period ended 30 June 2024 were authorized for issuance in accordance with a resolution of the Board of Directors on 21 July 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 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.

**2 BASIS OF PREPARATION (CONTINUED)**

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

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 six-month period ended 30 June 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 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 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 interim condensed consolidated 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 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.

**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 six-month period ended 30 June 2024

#### 3 SEGMENT INFORMATION (CONTINUED)

<i>Six-month ended 30 June 2024 (Reviewed)</i>	<i>Corporate banking QR'000</i>	<i>Personal banking QR'000</i>	<i>Treasury &amp; Investments QR'000</i>	<i>Total QR'000</i>
External revenue:				
Total income from financing and investing activities, net of finance expenses	770,566	495,745	210,739	1,477,050
Net fee and commission income	100,362	64,160	-	164,522
Net foreign exchange gain	-	-	38,171	38,171
Net share of results of investment in associates	-	-	829	829
<b>Total segment income</b>	<b>870,928</b>	<b>559,905</b>	<b>249,739</b>	<b>1,680,572</b>
Net impairment reversals on due from banks	-	-	230	230
Net impairment reversals on investments securities	-	-	806	806
Net impairment losses on financing assets	(90,911)	(27,073)	-	(117,984)
Net impairment reversals on off balance sheet exposures subject to credit risk	11,602	-	-	11,602
Net profit attributable to quasi-equity	(362,259)	(367,388)	-	(729,647)
<b>Reportable segment net profit before non- segmented expenses</b>	<b>429,360</b>	<b>165,444</b>	<b>250,775</b>	<b>845,579</b>
	<i>Corporate banking QR'000</i>	<i>Personal banking QR'000</i>	<i>Treasury &amp; Investments QR'000</i>	<i>Total QR'000</i>
<i>Six-month ended 30 June 2023 (Reviewed)</i>				
External revenue:				
Total income from financing and investing activities, net of finance expenses	675,859	410,466	134,826	1,221,151
Net fee and commission income	71,699	55,949	-	127,648
Net foreign exchange gain	-	-	43,926	43,926
Net share of results of investment in associates	-	-	446	446
<b>Total segment income</b>	<b>747,558</b>	<b>466,415</b>	<b>179,198</b>	<b>1,393,171</b>
Net impairment losses on due from banks	-	-	(668)	(668)
Net impairment reversals on investments securities	-	-	10,597	10,597
Net impairment (losses) / reversals on financing assets	(198,068)	49,713	-	(148,355)
Impairment losses on investment in associate	-	-	(32,656)	(32,656)
Net impairment reversals on off balance sheet exposures subject to credit risk	17,864	-	-	17,864
Net profit attributable to quasi-equity	(203,737)	(246,451)	-	(450,188)
<b>Reportable segment net profit before non- segmented expenses</b>	<b>363,617</b>	<b>269,677</b>	<b>156,471</b>	<b>789,765</b>
	<i>Corporate banking QR'000</i>	<i>Personal banking QR'000</i>	<i>Treasury &amp; Investments QR'000</i>	<i>Total QR'000</i>
<i>30 June 2024 (Reviewed)</i>				
<b>Reportable segment assets</b>	<b>24,308,709</b>	<b>14,251,873</b>	<b>17,981,897</b>	<b>56,542,479</b>
<b>Reportable segment liabilities and quasi-equity</b>	<b>15,829,240</b>	<b>24,593,418</b>	<b>8,551,433</b>	<b>48,974,091</b>

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the six-month period ended 30 June 2024

#### 3 SEGMENT INFORMATION (CONTINUED)

	<i>Corporate banking</i>	<i>Personal banking</i>	<i>Treasury &amp; 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 six-month period ended 30 June</i>	
	<i>2024 (Reviewed) QR'000</i>	<i>2023 (Reviewed) QR'000</i>
Reportable segment net profit before allocation of expenses	<b>845,579</b>	789,765
Unallocated expenses	<b>(190,516)</b>	(174,682)
<b>Consolidated net profit for the period</b>	<b><u>655,063</u></b>	<b><u>615,083</u></b>
	<i>30 June 2024 (Reviewed) QR'000</i>	<i>31 December 2023 (Audited) QR'000</i>
<b>Assets</b>		
Total assets for reportable segments	<b>56,542,479</b>	58,852,049
Other unallocated amounts	<b>2,744,150</b>	2,774,226
<b>Consolidated total assets</b>	<b><u>59,286,629</u></b>	<b><u>61,626,275</u></b>
<b>Liabilities and quasi-equity</b>		
Total liabilities and quasi-equity for reportable segments	<b>48,974,091</b>	51,173,648
Other unallocated amounts	<b>906,111</b>	946,545
<b>Consolidated total liabilities and quasi-equity</b>	<b><u>49,880,202</u></b>	<b><u>52,120,193</u></b>

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the six-month period ended 30 June 2024

#### 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>30 June 2024 (Reviewed)</i>	<i>Fair value through income statement QR'000</i>	<i>Fair value through OCI 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	-	-	2,389,927	2,389,927	2,389,927
Due from banks	-	-	10,016,127	10,016,127	10,016,127
Investment securities:					
- Measured at fair value	909	27,036	-	27,945	27,945
- Measured at amortised cost	-	-	7,081,308	7,081,308	6,925,350
Other assets (excluding non-financial assets)	3,457	-	25,798	29,255	29,255
	<u>4,366</u>	<u>27,036</u>	<u>19,513,160</u>	<u>19,544,562</u>	<u>19,388,604</u>
Due to banks	-	-	6,689,210	6,689,210	6,689,210
Customers' current accounts	-	-	6,410,708	6,410,708	6,410,708
Sukuk financing	-	-	1,862,223	1,862,223	1,862,223
Other liabilities	3,610	-	902,501	906,111	906,111
Quasi-equity	-	-	34,011,950	34,011,950	34,011,950
	<u>3,610</u>	<u>-</u>	<u>49,876,592</u>	<u>49,880,202</u>	<u>49,880,202</u>

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the six-month period ended 30 June 2024

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

	<i>Fair value through income statement</i> QR'000	<i>Fair value through OCI</i> QR'000	<i>Amortised cost</i> QR'000	<i>Total carrying amount</i> QR'000	<i>Fair value</i> QR'000
<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>30 June 2023 (Reviewed)</i>					
	<i>Fair value through income statement</i> QR'000	<i>Fair value through OCI</i> QR'000	<i>Amortised cost</i> QR'000	<i>Total carrying amount</i> QR'000	<i>Fair value</i> QR'000
Cash and balances with Qatar					
Central Bank	-	-	2,607,495	2,607,495	2,607,495
Due from banks	-	-	10,801,897	10,801,897	10,801,897
Investment securities:					
- Measured at fair value	902	26,076	-	26,978	26,978
- Measured at amortised cost	-	-	7,550,985	7,550,985	7,404,875
Other assets (excluding non-financial assets)	6,965	-	20,361	27,326	27,326
	<u>7,867</u>	<u>26,076</u>	<u>20,980,738</u>	<u>21,014,681</u>	<u>20,868,571</u>
Due to banks	-	-	8,737,126	8,737,126	8,737,126
Customers' current accounts	-	-	7,789,715	7,789,715	7,789,715
Sukuk financing	-	-	2,782,977	2,782,977	2,782,977
Other liabilities	3,322	-	1,013,049	1,016,371	1,016,371
Quasi-equity	-	-	28,737,607	28,737,607	28,737,607
	<u>3,322</u>	<u>-</u>	<u>49,060,474</u>	<u>49,063,796</u>	<u>49,063,796</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 7,081 million (31 December 2023: QAR 7,783 million, 30 June 2023: QR 7,551 million) for which the fair value amounts to QAR 6,925 million (31 December 2023: QAR 7,641 million, 30 June 2023: QR 7,405 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 June 2024 (Reviewed)</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
- Quoted equity-type investments classified as FVTIS	909	-	-	909
- Quoted equity-type investments classified as FVTOCI	21,056	-	-	21,056
- Unquoted equity-type investments classified as FVTOCI	-	-	5,980	5,980

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the six-month period ended 30 June 2024

### 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 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>30 June 2023 (Reviewed)</i>				
- Quoted equity-type investments classified as FVTIS	902	-	-	902
- Quoted equity-type investments classified as FVTOCI	20,089	-	-	20,089
- Unquoted equity-type investments classified as FVTOCI	-	-	5,987	5,987

*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 30 June 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>30 June 2024 (Reviewed) QR'000</i>	<i>31 December 2023 (Audited) QR'000</i>	<i>30 June 2023 (Reviewed) QR'000</i>
Mudaraba placements	2,960,638	2,053,506	197,075
Commodity Murabaha receivable	6,670,015	10,027,772	10,095,973
Current accounts	113,484	133,756	298,237
Accrued profit	273,002	250,858	211,805
	<b>10,017,139</b>	12,465,892	10,803,090
Allowance for expected credit losses of due from banks (stages 1 and 2)	<b>(1,012)</b>	(1,242)	(1,193)
<b>Total</b>	<b>10,016,127</b>	12,464,650	10,801,897

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the six-month period ended 30 June 2024

#### 6 FINANCING ASSETS

- By type

	<i>30 June</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>30 June</i> <i>2023</i> <i>(Reviewed)</i> <i>QR'000</i>
Murabaha and Musawama	<b>35,458,586</b>	32,813,156	31,886,066
Ijarah Muntahia Bittamleek	<b>5,502,215</b>	5,804,469	5,930,104
Istisn'a	<b>87,564</b>	92,972	101,052
Mudaraba	<b>577,985</b>	680,169	675,501
Musharaka	-	82	555
Others	<b>318,584</b>	299,305	344,051
Accrued Profit	<b>315,347</b>	337,577	306,226
<b>Total financing assets</b>	<b>42,260,281</b>	40,027,730	39,243,555
Less: Deferred profit	<b>(1,851,408)</b>	(1,834,168)	(1,659,055)
Allowance for expected credit losses (stages 1 and 2)	<b>(588,823)</b>	(672,847)	(652,381)
Allowance for credit impairment (stage 3)	<b>(1,153,378)</b>	(950,932)	(1,004,506)
Suspended profit	<b>(106,090)</b>	(70,346)	(95,266)
<b>Net financing assets</b>	<b>38,560,582</b>	36,499,437	35,832,347

Total carrying amount of Istisn'a contracts under processing is QR 78 million as at 30 June 2024 (30 June 2023: 5.7 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 1.4 million as at 30 June 2024 (30 June 2023: QR 1.6 million; 31 December 2023: QR 7.36 million).

The total non-performing financing assets net of deferred profit at 30 June 2024 amounted to QR 1,331 million, representing 3.29% of the gross financing assets (30 June 2023: QR 1,061 million, representing 2.82%; 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**

As at and for the six-month period ended 30 June 2024

**7 INVESTMENT SECURITIES**

	<i>30 June 2024(Reviewed)</i>			<i>31 December 2023(Audited)</i>			<i>30 June 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	<b>909</b>	-	<b>909</b>	829	-	829	902	-	902
	<b>909</b>	-	<b>909</b>	829	-	829	902	-	902
<i>Debt-type investments classified at amortised cost</i>									
- State of Qatar Sukuk	-	<b>4,748,782</b>	<b>4,748,782</b>	-	5,177,079	5,177,079	-	5,253,457	5,253,457
- Fixed rate	<b>2,262,199</b>	-	<b>2,262,199</b>	2,525,091	-	2,525,091	2,249,181	-	2,249,181
- Accrued profit	<b>38,237</b>	<b>46,868</b>	<b>85,105</b>	64,402	32,333	96,735	34,495	31,457	65,952
- Less: allowance for expected credit losses (stage 1 and 2)	<b>(14,778)</b>	-	<b>(14,778)</b>	(15,584)	-	(15,584)	(17,605)	-	(17,605)
	<b>2,285,658</b>	<b>4,795,650</b>	<b>7,081,308</b>	2,573,909	5,209,412	7,783,321	2,266,071	5,284,914	7,550,985
<i>Equity-type investments classified at fair value through OCI</i>	<b>21,056</b>	<b>5,980</b>	<b>27,036</b>	19,474	5,733	25,207	20,089	5,987	26,076
<b>Total</b>	<b>2,307,623</b>	<b>4,801,630</b>	<b>7,109,253</b>	2,594,212	5,215,145	7,809,357	2,287,062	5,290,901	7,577,963

**Notes:**

- (i) The fair value of the investments carried at amortized cost as at 30 June 2024 amounted to QR 6,925 million (30 June 2023: QR 7,405 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 (30 June 2023: QR Nil; 31 December 2023: QR Nil).

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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#### 8 DUE TO BANKS

	<i>30 June 2024 (Reviewed) QR'000</i>	<i>31 December 2023 (Audited) QR'000</i>	<i>30 June 2023 (Reviewed) QR'000</i>
Wakala payable	6,363,711	9,166,337	8,483,381
Current accounts	220,927	215,067	215,790
Profit payable	104,572	86,274	37,955
<b>Total</b>	<b>6,689,210</b>	<b>9,467,678</b>	<b>8,737,126</b>

#### 9 SUKUK FINANCING

Instrument	Issue date	Coupon rate	Issued amount QR'000	<i>30 June 2024 (Reviewed) QR'000</i>	<i>31 December 2023 (Audited) QR'000</i>	<i>30 June 2023 (Reviewed) QR'000</i>
QIIB Senior Oryx	January 2024	5.2%	1,820,750	1,862,223	-	-
QIIB Sukuk 2024	March 2019	4.2%	1,820,750	-	1,845,919	1,844,870
QIIB Sukuk 2024	October 2021	4.2%	910,375	-	926,170	938,107
<b>Total balance</b>				<b>1,862,223</b>	<b>2,772,089</b>	<b>2,782,977</b>

#### 10 PARTICIPATORY INVESTMENT ACCOUNTS

	<i>30 June 2024 (Reviewed) QR'000</i>	<i>31 December 2023 (Audited) QR'000</i>	<i>30 June 2023 (Reviewed) QR'000</i>
Term accounts	26,905,193	25,640,808	21,604,774
Savings accounts	7,102,216	6,907,000	7,127,915
	<b>34,007,409</b>	<b>32,547,808</b>	<b>28,732,689</b>
Reserves attributable to quasi-equity	4,541	4,401	4,918
<b>Total</b>	<b>34,011,950</b>	<b>32,552,209</b>	<b>28,737,607</b>

All participatory investment accounts are unrestricted balances as of 30 June 2024, 31 December 2023, and 30 June 2023.

#### 11 SHARE CAPITAL

	<i>Number of shares</i>		
	<i>30 June 2024 (Reviewed) QR'000</i>	<i>31 December 2023 (Audited) QR'000</i>	<i>30 June 2023 (Reviewed) QR'000</i>
<b>Issued and fully paid*</b>	<b>1,513,687</b>	<b>1,513,687</b>	<b>1,513,687</b>

\*Issued and fully paid capital of QR 1,514 million comprises 1,514 million shares with a nominal value of QR 1 each (December 2023 and June 2023: QR 1,514 million comprises 1,514 million shares with a nominal value of QR 1 each).

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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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>30 June 2024 (Reviewed) QR'000</i>	<i>31 December 2023 (Audited) QR'000</i>	<i>30 June 2023 (Reviewed) QR'000</i>
Balance at 1 January	81,974	80,787	80,787
Undistributed profit of associates of the period / year	1,033	2,657	1,239
Dividend received from associates	<u>(1,470)</u>	<u>(1,470)</u>	<u>(1,470)</u>
<b>Total</b>	<b><u>81,537</u></b>	<b><u>81,974</u></b>	<b><u>80,556</u></b>

#### 15 CASH DIVIDENDS PROPOSED TO THE SHAREHOLDERS

The Board of Directors have approved an interim cash dividend in respect of the six month period ended 30 June 2024 of 23% of the paid up share capital amounting to QR 348 million. This is in accordance with Qatar Financial Markets Authority (QFMA) Board Decision No. 7 of 2023.

On 31 March 2024 the General Assembly of shareholders approved cash dividends for the year ended 31 December 2023 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.

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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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 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2024 (Reviewed) QR'000</i>	<i>2023 (Reviewed) QR'000</i>	<i>2024 (Reviewed) QR'000</i>	<i>2023 (Reviewed) QR'000</i>
Net profit for the period attributable to the shareholders of the Bank	<b>319,875</b>	299,167	<b>655,063</b>	615,083
Less: Profit attributable to Sukuk eligible as additional capital	<b>(72,628)</b>	(72,628)	<b>(72,628)</b>	(72,628)
Profit for EPS computation	<b>247,247</b>	226,539	<b>582,435</b>	542,455
Weighted average number of shares outstanding during the period (Note 11)	<b>1,513,687</b>	1,513,687	<b>1,513,687</b>	1,513,687
Basic and diluted earnings per share (QR)	<b>0.16</b>	0.15	<b>0.38</b>	0.36

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

	<i>30 June 2024 (Reviewed) QR'000</i>	<i>31 December 2023 (Audited) QR'000</i>	<i>30 June 2023 (Reviewed) QR'000</i>
Cash and balances with Qatar Central Bank (excluding restricted QCB reserve account)	<b>552,678</b>	1,728,587	863,391
Due from banks	<b>2,211,511</b>	3,647,751	1,417,557
	<b>2,764,189</b>	5,376,338	2,280,948

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 June 2024 (Reviewed) QR'000</i>	<i>31 December 2023 (Audited) QR'000</i>	<i>30 June 2023 (Reviewed) QR'000</i>
<b>a) Contingent liabilities</b>			
Unused financing facilities	<b>5,403,668</b>	5,050,844	8,786,603
Guarantees	<b>5,320,123</b>	5,815,653	5,374,126
Letters of credit	<b>341,113</b>	292,909	349,518
	<b>11,064,904</b>	11,159,406	14,510,247
<b>b) Commitments</b>			
Forward foreign exchange promissory contracts	<b>2,208,131</b>	2,325,623	823,724
	<b>2,208,131</b>	2,325,623	823,724
	<b>13,273,035</b>	13,485,029	15,333,971



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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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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 six-month period ended 30 June</i>	
	<i>2024 (Reviewed) QR'000</i>	<i>2023 (Reviewed) QR'000</i>
Short term benefits	8,274	7,842
Long term benefits	933	822
	<u>9,207</u>	<u>8,664</u>

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

	<i>For the six-month period ended 30 June</i>	
	<i>2024 (Reviewed) QR'000</i>	<i>2023 (Reviewed) QR'000</i>
Mortgage and other secured financing	1,768	2,401
Credit cards	277	117
	<u>2,045</u>	<u>2,518</u>

#### 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 period / 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>30 June 2024 (Reviewed) QR'000</i>	<i>31 December 2023 (Audited) QR'000</i>	<i>30 June 2023 (Reviewed) QR'000</i>
Tier 1 capital	9,014,182	8,338,484	8,366,894
Tier 2 capital	566,850	602,184	579,577
<b>Total eligible capital</b>	<u>9,581,032</u>	<u>8,940,668</u>	<u>8,946,471</u>

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the six-month period ended 30 June 2024

#### 21 REGULATORY DISCLOSURES (CONTINUED)

##### Risk weighted assets

	<i>30 June 2024 (Reviewed) QR'000</i>	<i>31 December 2023 (Audited) QR'000</i>	<i>30 June 2023 (Reviewed) QR'000</i>
Risk weighted assets for credit risk	45,231,434	48,174,705	46,366,151
Risk weighted assets for market risk	3,074,294	759,271	680,588
Risk weighted assets for operational risk	2,714,654	3,664,507	3,664,507
<b>Total risk weighted assets</b>	<b>51,020,382</b>	<b>52,598,483</b>	<b>50,711,246</b>
<b>Regulatory Capital</b>	<b>9,581,032</b>	<b>8,940,668</b>	<b>8,946,471</b>
<b>Common Equity Tier 1 (CET 1) Capital Adequacy Ratio</b>	<b>13.57%</b>	<b>11.87%</b>	<b>12.37%</b>
<b>Total Capital Adequacy Ratio</b>	<b>18.78%</b>	<b>17.00%</b>	<b>17.64%</b>

	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
<b>June 2024</b>						
Actual	13.57%	13.57%	17.67%	18.78%	18.78%	18.78%
Minimum limit as per QCB	6.00%	8.50%	10.50%	12.50%	12.50%	14.59%
<b>December 2023</b>						
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%

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

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

As at and for the six-month period ended 30 June 2024

**22 FINANCIAL RISK MANAGEMENT**

**22.1 Exposures subject to credit risk**

Exposures and movement of expected credit loss / impairment allowances:

	30 June 2024				31 December 2023 QR'000
	Stage 1 QR'000	Stage 2 QR'000	Stage 3 QR'000	Total QR'000	
<b>Exposures subject to ECL</b>					
Due from banks	9,990,486	26,653	-	10,017,139	12,465,892
Debt-type investments classified at amortised cost	6,922,436	173,650	-	7,096,086	7,798,905
Financing assets*	35,238,156	3,839,776	1,330,941	40,408,873	38,193,562
Off balance sheet exposures subject to credit risk	10,075,239	952,979	36,686	11,064,904	11,159,406
	<b>62,226,317</b>	<b>4,993,058</b>	<b>1,367,627</b>	<b>68,587,002</b>	<b>69,617,765</b>

\*Net of deferred profits

**Opening balance of expected credit losses / impairment losses as at 1 January 2024**

	30 June 2023 QR'000				
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
<b>Net transfer between stages</b>					
Due from banks	(14)	14	-	-	-
Debt-type investments classified at amortised cost	-	-	-	-	-
Financing assets	(33,262)	(6,537)	39,799	-	-
Off balance sheet exposures subject to credit risk	(18)	18	-	-	-
	<b>(33,294)</b>	<b>(6,505)</b>	<b>39,799</b>	<b>-</b>	<b>-</b>

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the six-month period ended 30 June 2024

#### 22 FINANCIAL RISK MANAGEMENT (CONTINUED)

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

	30 June 2024				30 June 2023 QR'000
	Stage 1 QR'000	Stage 2 QR'000	Stage 3 QR'000	Total QR'000	
<b>Write off / transfers for the period</b>					
Due from banks	-	-	-	-	-
Debt-type investments classified at amortised cost	-	-	-	-	-
Financing assets	-	-	(1,067)	(1,067)	(1,272)
Off balance sheet exposures subject to credit risk	-	-	-	-	-
<b>Charge / (reversal) for the period (net)</b>					
Due from banks	(230)	-	-	(230)	668
Debt-type investments classified at amortised cost	(242)	(564)	-	(806)	(10,597)
Financing assets	18,568	(62,793)	162,209	117,984	148,355
Recovery /Reclassification from off-balance sheet to on balance sheet	-	-	1,505	1,505	522
Off balance sheet exposures subject to credit risk	2,010	(13,612)	-	(11,602)	(17,864)
	<u>20,106</u>	<u>(76,969)</u>	<u>163,714</u>	<u>106,851</u>	<u>121,084</u>
<b>Closing balance of expected credit losses / impairment losses - as at 30 June</b>					
Due from banks	996	16	-	1,012	1,193
Debt-type investments classified at amortised cost	7,667	7,111	-	14,778	17,605
Financing assets	223,854	364,969	1,153,378	1,742,201	1,656,887
Off balance sheet exposures subject to credit risk	42,358	30,883	-	73,241	91,325
	<u>274,875</u>	<u>402,979</u>	<u>1,153,378</u>	<u>1,831,232</u>	<u>1,767,010</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.