

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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

30 September 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 nine-month period ended 30 September 2024, which comprise:

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

28 October 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 September 2024

		30 September 2024 (Reviewed) QR'000	31 December 2023 (Audited) QR'000	30 September 2023 (Reviewed) QR'000
ASSETS				
Cash and balances with Qatar Central Bank		2,323,536	3,623,638	2,362,531
Due from banks	5	10,442,653	12,464,650	12,391,894
Financing assets	6	39,040,564	36,499,437	36,779,275
Investment securities	7	7,015,922	7,809,357	8,052,318
Investment in associates		156,120	154,004	187,020
Investment properties		622,242	642,386	648,922
Fixed assets		222,868	225,963	225,657
Intangible assets		40,363	32,092	34,263
Other assets		183,959	174,748	151,608
TOTAL ASSETS		60,048,227	61,626,275	60,833,488
LIABILITIES, QUASI-EQUITY AND OWNERS' EQUITY				
LIABILITIES				
Due to banks	8	5,807,403	9,467,678	9,792,936
Customers' current accounts		6,048,243	6,381,672	7,108,325
Sukuk financing	9	2,762,150	2,772,089	2,748,419
Other liabilities		1,041,200	946,545	924,185
TOTAL LIABILITIES		15,658,996	19,567,984	20,573,865
QUASI-EQUITY				
Participatory investment accounts	10	34,937,238	32,547,808	30,880,644
Reserves attributable to quasi-equity	10	5,791	4,401	4,679
TOTAL QUASI-EQUITY		34,943,029	32,552,209	30,885,323
OWNERS' EQUITY				
Share capital	11	1,513,687	1,513,687	1,513,687
Legal reserve	12	2,452,360	2,452,360	2,452,360
Risk reserve	13	886,173	886,173	852,234
Fair value reserve		3,090	2,742	2,989
Foreign currency translation reserve		1,313	-	-
Other reserves	14	82,759	81,974	81,228
Retained earnings		2,414,370	2,476,696	2,379,352
<i>Equity attributable to shareholders of the Bank</i>		7,353,752	7,413,632	7,281,850
Sukuk eligible as additional capital	16	2,092,450	2,092,450	2,092,450
TOTAL OWNERS' EQUITY		9,446,202	9,506,082	9,374,300
TOTAL LIABILITIES, QUASI-EQUITY AND OWNERS' EQUITY		60,048,227	61,626,275	60,833,488
CONTINGENT LIABILITIES AND COMMITMENTS				
	19	12,765,612	13,485,029	14,416,334

The interim condensed consolidated financial statements were approved by the Board of Directors on 28 October 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 nine-month periods ended 30 September 2024

	<i>For the three-month period ended 30 September</i>		<i>For the nine-month period ended 30 September</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>(Reviewed) QR'000</i>	<i>(Reviewed) QR'000</i>	<i>(Reviewed) QR'000</i>	<i>(Reviewed) QR'000</i>
	<i>Note</i>			
Income from financing activities	700,100	643,627	1,966,411	1,729,952
Net income from investing activities	215,870	217,770	681,966	582,375
Finance expenses	(111,790)	(163,174)	(367,147)	(392,953)
Total income from financing and investing activities, net of finance expenses	804,180	698,223	2,281,230	1,919,374
Fee and commission income	123,028	125,738	346,285	302,228
Fee and commission expense	(28,796)	(32,937)	(87,531)	(81,779)
Net fee and commission income	94,232	92,801	258,754	220,449
Net foreign exchange gain	16,361	18,604	54,532	62,530
Net share of results of investment in associates	1,426	(506)	2,255	(60)
TOTAL INCOME	916,199	809,122	2,596,771	2,202,293
Staff expenses	(47,266)	(43,851)	(138,757)	(129,972)
Depreciation of fixed assets and amortisation of intangible assets	(6,515)	(5,602)	(17,931)	(19,279)
Other expenses	(44,831)	(39,023)	(132,440)	(113,907)
TOTAL EXPENSES	(98,612)	(88,476)	(289,128)	(263,158)
NET OPERATING INCOME BEFORE IMPAIRMENT	817,587	720,646	2,307,643	1,939,135
Net impairment (losses) / reversals on due from banks	(98)	(67)	132	(735)
Net impairment reversals on investment securities	4,473	993	5,279	11,590
Net impairment losses on financing assets	(54,904)	(96,452)	(172,888)	(244,807)
Impairment loss on investment in associate	-	-	-	(32,656)
Net impairment reversals on off balance sheet exposures subject to credit risk	6,843	2,543	18,445	20,407
NET PROFIT FOR THE PERIOD BEFORE RETURN TO QUASI-EQUITY	773,901	627,663	2,158,611	1,692,934
Less: Net profit attributable to quasi-equity	(388,570)	(265,850)	(1,118,217)	(716,038)
NET PROFIT FOR THE PERIOD	385,331	361,813	1,040,394	976,896
BASIC AND DILUTED EARNINGS PER SHARE (QR PER SHARE)	17 0.25	0.24	0.64	0.60



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

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

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three-month and nine-month periods ended 30 September 2024

	<i>For the three-month period ended 30 September</i>		<i>For the nine-month period ended 30 September</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>
NET PROFIT FOR THE PERIOD	385,331	361,813	1,040,394	976,896
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	1,903	(487)	1,720	576
Items that are or maybe reclassified subsequently to consolidated statement of income				
Exchange difference arising on translation of foreign operations	1,957	-	1,313	-
Net change in the share of other comprehensive income of investment in associates	(18)	83	18	(143)
Share in the reserve attributable to quasi-equity	(1,250)	239	(1,390)	(137)
TOTAL OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	2,592	(165)	1,661	296
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	387,923	361,648	1,042,055	977,192



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 nine-month periods ended 30 September 2024

	<i>For the three-month period ended 30 September</i>		<i>For the nine-month period ended 30 September</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>(Reviewed)</i>	<i>(Unreviewed)</i>	<i>(Reviewed)</i>	<i>(Unreviewed)</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Net profit for the period before return to quasi-equity	773,901	627,663	2,158,611	1,692,934
Less: Income not attributable to quasi-equity	(265,015)	(243,610)	(750,956)	(659,795)
Net profit attributable to quasi-equity before the Bank's share as Mudarib	508,886	384,053	1,407,655	1,033,139
Less: Bank's share as Mudarib	(457,997)	(345,648)	(1,266,889)	(929,825)
Add: Support provided by the Bank	337,681	227,445	977,451	612,724
NET PROFIT ATTRIBUTABLE TO QUASI-EQUITY	388,570	265,850	1,118,217	716,038
OTHER COMPREHENSIVE INCOME				
Items that are or maybe reclassified subsequently to consolidated statement of income				
Share in the reserve attributable to quasi-equity	1,250	(239)	1,390	137
TOTAL OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	1,250	(239)	1,390	137
TOTAL PROFIT ATTRIBUTABLE TO QUASI-EQUITY	389,820	265,611	1,119,607	716,175



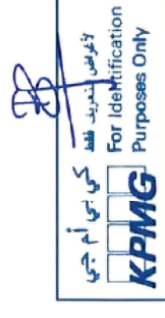
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Independent auditor's review report is set out on page 1.

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the nine-month period ended 30 September 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
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	-	-	-	-	-	-	1,040,394	-	1,040,394
Other comprehensive income for the period	-	-	-	348	1,313	-	-	-	1,661
Total comprehensive income for the period	-	-	-	348	1,313	-	1,040,394	-	1,042,055
Dividends paid to the shareholders for the year 2023	15	-	-	-	-	-	(681,159)	-	(681,159)
Interim dividend paid to the shareholders for the year 2024	15	-	-	-	-	-	(348,148)	-	(348,148)
Dividend appropriation to Sukuk eligible as Additional Tier 1 Capital	16	-	-	-	-	-	(72,628)	-	(72,628)
Net movement in other reserves	14	-	-	-	-	785	(785)	-	-
Balance at 30 September 2024 (Reviewed)	1,513,687	2,452,360	886,173	3,090	1,313	82,759	2,414,370	2,092,450	9,446,202
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 profit for the period	-	-	-	-	-	-	976,896	-	976,896
Other comprehensive income for the period	-	-	-	296	-	-	-	-	296
Total comprehensive income for the period	-	-	-	296	-	-	976,896	-	977,192
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	-	-	-	-	441	(441)	-	-
Balance at 30 September 2023 (Reviewed)	1,513,687	2,452,360	852,234	2,989	-	81,228	2,379,352	2,092,450	9,374,300



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

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine-month period ended 30 September 2024

	<i>For the nine-month period ended 30</i>	
	<i>September</i>	
	<i>2024</i>	<i>2023</i>
<i>Note</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<i>QR'000</i>	<i>QR'000</i>
Cash flows from operating activities		
Net profit for the period	1,040,394	976,896
<i>Adjustments for:</i>		
Net impairment losses on financing assets	172,888	244,807
Net impairment reversals on investment securities	(5,279)	(11,590)
Impairment loss on investment in associate	-	32,656
Net impairment reversals on off balance sheet exposures subject to credit risk	(18,445)	(20,407)
Net impairment (reversals) / losses on due from banks	(132)	735
Foreign exchange gain on translation of investment in associate	-	(346)
(Gains) / losses on disposal of fixed assets	(18)	144
Gain on disposal of investment properties	(11,152)	-
Depreciation of investment properties	21,414	21,368
Depreciation of fixed assets and amortisation of intangible assets	17,931	19,279
Gain on sale of investments securities	(207)	-
Dividend income	(198)	(1,073)
Net share of results of investment in associates	(2,255)	60
Fair value gain on investment security carried at FVTIS	(31)	(128)
Sukuk amortisation	(7,360)	1,611
Employees' end of service benefits	4,613	3,694
Profit before changes in operating assets and liabilities	1,212,163	1,267,706
Working capital changes:		
Cash reserve with Qatar Central Bank	38,745	94,784
Due from banks	1,935,757	(1,820,862)
Financing assets	(2,714,015)	(2,002,366)
Other assets	(9,211)	86,116
Due to banks	(3,660,275)	4,113,875
Customers' current accounts	(333,429)	(694,663)
Other liabilities	56,594	(29,687)
	(3,473,671)	1,014,903
Employees' end of service benefits paid	(3,419)	(1,808)
Net cash flows (used in) / generated from operating activities	(3,477,090)	1,013,095
Cash flows from investing activities		
Acquisition of investment securities	(2,469,573)	(3,373,589)
Proceeds from sale / redemption of investment securities	3,327,460	3,106,868
Acquisition of fixed assets	(3,282)	(3,576)
Acquisition of intangible assets	(19,826)	(6,804)
Addition on investment in associate	-	(28,640)
Addition in investment in properties	(1,270)	(1,097)
Proceeds from sale of investment properties	11,152	-
Proceeds from sale of fixed assets	19	4
Dividends received from investment in associates	1,470	1,470
Dividend income	198	1,073
Net cash flows generated from / (used in) investing activities	846,348	(304,291)
Cash flows from financing activities		
Dividend appropriation to Sukuk eligible as additional Tier 1 capital	(72,628)	(72,628)
Change in quasi-equity	2,389,430	743,296
Cash dividends paid to shareholders	(1,033,789)	(601,398)
Net cash flows generated from financing activities	1,283,013	69,270
Net (decrease) / increase in cash and cash equivalents	(1,347,729)	778,074
Cash and cash equivalents at 1 January	5,376,338	2,070,949
Cash and cash equivalents at 30 September	4,028,609	2,849,023

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



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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 30 September 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, P.O. Box 664, Doha, State of Qatar.

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”), QIIB Tier 1 Sukuk Ltd and QIIB Tier 1 Sukuk LLC, (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 and QIIB Tier 1 Sukuk LLC was incorporated in the State of Qatar, 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 30 September 2024 were authorized for issuance in accordance with a resolution of the Board of Directors on 28 October 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 nine-month period ended 30 September 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 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.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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3 SEGMENT INFORMATION

The Group has three reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately based on the Group's management and internal reporting structure. For each of the strategic divisions, the Group Management Committee reviews internal management reports on monthly basis. The following summary describes the operations in each of the Group's reportable segments:

Corporate banking Includes financings, deposits and other transactions and balances with corporate customers, government and semi government institutions and SME customers.

Personal banking Includes financings, deposits and other transactions and balances with personal customers.

Treasury & Investments Undertakes the Group's funding and centralised risk management activities through borrowings, issues of Sukuk, use of risk management instruments for risk management purposes and investing in liquid assets such as short-term deposits and corporate and government Sukuk.

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

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 30 September 2024

3 SEGMENT INFORMATION (CONTINUED)

<i>Nine-month ended 30 September 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, net of finance expenses	1,208,524	757,887	314,819	2,281,230
Net fee and commission income	149,306	109,448	-	258,754
Net foreign exchange gain	-	-	54,532	54,532
Net share of results of investment in associates	-	-	2,255	2,255
Total segment income	1,357,830	867,335	371,606	2,596,771
Net impairment reversals on due from banks	-	-	132	132
Net impairment reversals on investments securities	-	-	5,279	5,279
Net impairment losses on financing assets	(120,244)	(52,644)	-	(172,888)
Net impairment reversals on off balance sheet exposures subject to credit risk	18,445	-	-	18,445
Net profit attributable to quasi-equity	(552,228)	(565,989)	-	(1,118,217)
Reportable segment net profit before non- segmented expenses	703,803	248,702	377,017	1,329,522
	<i>Corporate banking QR'000</i>	<i>Personal banking QR'000</i>	<i>Treasury & Investments QR'000</i>	<i>Total QR'000</i>
<i>Nine-month ended 30 September 2023 (Reviewed)</i>				
External revenue:				
Total income from financing and investing activities, net of finance expenses	1,083,005	646,947	189,422	1,919,374
Net fee and commission income	121,852	98,597	-	220,449
Net foreign exchange gain	-	-	62,530	62,530
Net share of results of investment in associates	-	-	(60)	(60)
Total segment income	1,204,857	745,544	251,892	2,202,293
Net impairment losses on due from banks	-	-	(735)	(735)
Net impairment reversals on investments securities	-	-	11,590	11,590
Net impairment (losses) / reversals on financing assets	(284,272)	39,465	-	(244,807)
Impairment loss on investment in associate	-	-	(32,656)	(32,656)
Net impairment reversals on off balance sheet exposures subject to credit risk	20,407	-	-	20,407
Net profit attributable to quasi-equity	(323,177)	(392,861)	-	(716,038)
Reportable segment net profit before non- segmented expenses	617,815	392,148	230,091	1,240,054
	<i>Corporate banking QR'000</i>	<i>Personal banking QR'000</i>	<i>Treasury & Investments QR'000</i>	<i>Total QR'000</i>
<i>30 September 2024 (Reviewed)</i>				
Reportable segment assets	24,766,898	14,273,666	18,282,537	57,323,101
Reportable segment liabilities and quasi-equity	15,867,133	25,124,139	8,569,553	49,560,825

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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 profit, assets, liabilities and quasi-equity:

	<i>For the nine-month period ended 30 September</i>	
	<i>2024</i>	<i>2023</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<i>QR'000</i>	<i>QR'000</i>
Reportable segment net profit before allocation of expenses	1,329,522	1,240,054
Unallocated expenses	(289,128)	(263,158)
Consolidated net profit for the period	<u>1,040,394</u>	<u>976,896</u>
	<i>30 September 2024</i>	<i>31 December 2023</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>QR'000</i>	<i>QR'000</i>
Assets		
Total assets for reportable segments	57,323,101	58,852,049
Other unallocated amounts	2,725,126	2,774,226
Consolidated total assets	<u>60,048,227</u>	<u>61,626,275</u>
Liabilities and quasi-equity		
Total liabilities and quasi-equity for reportable segments	49,560,825	51,173,648
Other unallocated amounts	1,041,200	946,545
Consolidated total liabilities and quasi-equity	<u>50,602,025</u>	<u>52,120,193</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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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>30 September 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			2,323,536	2,323,536	2,323,536
Due from banks	-	-	10,442,653	10,442,653	10,442,653
Investment securities:					
- Measured at fair value	860	28,858	-	29,718	29,718
- Measured at amortised cost	-	-	6,986,204	6,986,204	6,916,314
Other assets (excluding non-financial assets)	8,105	-	41,309	49,414	49,414
	<u>8,965</u>	<u>28,858</u>	<u>19,793,702</u>	<u>19,831,525</u>	<u>19,761,635</u>
Due to banks	-	-	5,807,403	5,807,403	5,807,403
Customers' current accounts	-	-	6,048,243	6,048,243	6,048,243
Sukuk financing	-	-	2,762,150	2,762,150	2,762,150
Other liabilities	8,190	-	1,033,010	1,041,200	1,041,200
Quasi-equity	-	-	34,943,029	34,943,029	34,943,029
	<u>8,190</u>	<u>-</u>	<u>50,593,835</u>	<u>50,602,025</u>	<u>50,602,025</u>

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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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 OCI 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 OCI QR'000</i>	<i>Amortised cost QR'000</i>	<i>Total carrying amount QR'000</i>	<i>Fair value QR'000</i>
<i>30 September 2023 (Reviewed)</i>					
Cash and balances with Qatar					
Central Bank	-	-	2,362,531	2,362,531	2,362,531
Due from banks	-	-	12,391,894	12,391,894	12,391,894
Investment securities:					
- Measured at fair value	950	25,527	-	26,477	26,477
- Measured at amortised cost	-	-	8,025,841	8,025,841	7,848,355
Other assets (excluding non-financial assets)	15,127	-	9,162	24,289	24,289
	<u>16,077</u>	<u>25,527</u>	<u>22,789,428</u>	<u>22,831,032</u>	<u>22,653,546</u>
Due to banks	-	-	9,792,936	9,792,936	9,792,936
Customers' current accounts	-	-	7,108,325	7,108,325	7,108,325
Sukuk financing	-	-	2,748,419	2,748,419	2,748,419
Other liabilities	18,281	-	905,904	924,185	924,185
Equity of investment account holders	-	-	30,885,323	30,885,323	30,885,323
	<u>18,281</u>	<u>-</u>	<u>51,440,907</u>	<u>51,459,188</u>	<u>51,459,188</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 6,986 million (31 December 2023: QAR 7,783 million, 30 September 2023: QR 8,026 million) for which the fair value amounts to QAR 6,916 million (31 December 2023: QAR 7,641 million, 30 September 2023: QR 7,848 million), which is derived using level 1 fair value hierarchy.

4 FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTINUED)

Valuation of financial investments

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

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

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

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

Financial investments classification

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

	<i>Fair value measurement using</i>			<i>Total</i>
	<i>Quoted prices in active markets (Level 1)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Significant unobservable inputs (Level 3)</i>	
<i>30 September 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	860	-	-	860
- Quoted equity-type investments classified as FVTOCI	22,796	-	-	22,796
- Unquoted equity-type investments classified as FVTOCI	-	-	6,062	6,062

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4 FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTINUED)

	<i>Fair value measurement using</i>			<i>Total QR'000</i>
	<i>Quoted prices in active markets (Level 1) QR'000</i>	<i>Significant observable inputs (Level 2) QR'000</i>	<i>Significant unobservable inputs (Level 3) QR'000</i>	
<i>31 December 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 September 2023 (Reviewed)</i>				
- Quoted equity-type investments classified as FVTIS	950	-	-	950
- Quoted equity-type investments classified as FVTOCI	19,830	-	-	19,830
- Unquoted equity-type investments classified as FVTOCI	-	-	5,697	5,697

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 September 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 September 2024 (Reviewed) QR'000</i>	<i>31 December 2023 (Audited) QR'000</i>	<i>30 September 2023 (Reviewed) QR'000</i>
Mudaraba placements	2,514,259	2,053,506	396,094
Commodity Murabaha receivable	7,649,984	10,027,772	11,564,766
Current accounts	160,104	133,756	213,915
Accrued profit	119,416	250,858	218,379
	10,443,763	12,465,892	12,393,154
Allowance for expected credit losses of due from banks (stages 1 and 2)	(1,110)	(1,242)	(1,260)
Total	10,442,653	12,464,650	12,391,894

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6 FINANCING ASSETS

• **By type**

	<i>30 September 2024 (Reviewed) QR'000</i>	<i>31 December 2023 (Audited) QR'000</i>	<i>30 September 2023 (Reviewed) QR'000</i>
Murabaha and Musawama	35,939,918	32,813,156	33,090,084
Ijarah Muntahia Bittamleek	5,572,842	5,804,469	5,847,292
Istisn'a	83,123	92,972	95,097
Mudaraba	531,332	680,169	686,235
Musharaka	-	82	476
Others	339,217	299,305	281,659
Accrued Profit	325,188	337,577	312,720
Total financing assets	42,791,620	40,027,730	40,313,563
Less: Deferred profit	(1,847,176)	(1,834,168)	(1,699,128)
Allowance for expected credit losses (stages 1 and 2)	(597,386)	(672,847)	(660,649)
Allowance for credit impairment (stage 3)	(1,201,403)	(950,932)	(1,092,855)
Suspended profit	(105,091)	(70,346)	(81,656)
Net financing assets	39,040,564	36,499,437	36,779,275

Total carrying amount of Istisn'a contracts under processing is QR 72 million as at 30 September 2024 (30 September 2023: 93 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 1.98 million as at 30 September 2024 (30 September 2023: QR 2.27 million; 31 December 2023: QR 7.36 million).

The total non-performing financing assets net of deferred profit at 30 September 2024 amounted to QR 1,380 million, representing 3.37 % of the gross financing assets net of deferred profit (30 September 2023: QR 1,222 million, representing 3.16%; 31 December 2023: QR 1,098 million, representing 2.88%).

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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7 INVESTMENT SECURITIES

	<i>30 September 2024 (Reviewed)</i>		<i>31 December 2023 (Audited)</i>		<i>30 September 2023 (Reviewed)</i>		
	<i>Quoted QR '000</i>	<i>Unquoted QR '000</i>	<i>Quoted QR '000</i>	<i>Unquoted 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	860	-	829	-	950	-	950
	<u>860</u>	<u>-</u>	<u>829</u>	<u>-</u>	<u>950</u>	<u>-</u>	<u>950</u>
<i>Debt-type investments classified at amortised cost</i>							
- State of Qatar Sukuk	-	4,272,606	-	5,177,079	-	5,496,771	5,496,771
- Fixed rate	2,658,790	-	2,525,091	-	2,455,246	-	2,455,246
- Accrued profit	35,217	29,896	64,402	32,333	68,547	21,889	90,436
- Less: allowance for expected credit losses (stage 1 and 2)	(10,305)	-	(15,584)	-	(16,612)	-	(16,612)
	<u>2,683,702</u>	<u>4,302,502</u>	<u>2,573,909</u>	<u>5,209,412</u>	<u>2,507,181</u>	<u>5,518,660</u>	<u>8,025,841</u>
<i>Equity-type investments classified at fair value through OCI</i>	<u>22,796</u>	<u>6,062</u>	<u>19,474</u>	<u>5,733</u>	<u>19,830</u>	<u>5,697</u>	<u>25,527</u>
Total	<u>2,707,358</u>	<u>4,308,564</u>	<u>7,015,922</u>	<u>5,215,145</u>	<u>2,527,961</u>	<u>5,524,357</u>	<u>8,052,318</u>

Notes:

- (i) The fair value of the investments carried at amortized cost as at 30 September 2024 amounted to QR 6,916 million (30 September 2023: QR 7,848 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.

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8 DUE TO BANKS

	<i>30 September 2024 (Reviewed) QR'000</i>	<i>31 December 2023 (Audited) QR'000</i>	<i>30 September 2023 (Reviewed) QR'000</i>
Wakala payable	5,477,233	9,166,337	9,420,930
Current accounts	226,875	215,067	315,106
Profit payable	103,295	86,274	56,900
Total	5,807,403	9,467,678	9,792,936

9 SUKUK FINANCING

Instrument	Issued amount QR'000	<i>30 September 2024 (Reviewed) QR'000</i>	<i>31 December 2023 (Audited) QR'000</i>	<i>30 September 2023 (Reviewed) QR'000</i>
QIIB Senior Oryx	2,731,125	2,762,150	-	-
QIIB Sukuk 2024	2,731,125	-	2,772,089	2,748,419
Total balance		2,762,150	2,772,089	2,748,419

10 PARTICIPATORY INVESTMENT ACCOUNTS

	<i>30 September 2024 (Reviewed) QR'000</i>	<i>31 December 2023 (Audited) QR'000</i>	<i>30 September 2023 (Reviewed) QR'000</i>
Term accounts	27,063,758	25,640,808	23,936,338
Savings accounts	7,873,480	6,907,000	6,944,306
	34,937,238	32,547,808	30,880,644
Reserves attributable to quasi-equity	5,791	4,401	4,679
Total	34,943,029	32,552,209	30,885,323

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

11 SHARE CAPITAL

	<i>30 September 2024 (Reviewed) QR'000</i>	<i>31 December 2023 (Audited) QR'000</i>	<i>30 September 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 September 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>30 September 2024 (Reviewed) QR'000</i>	<i>31 December 2023 (Audited) QR'000</i>	<i>30 September 2023 (Reviewed) QR'000</i>
Balance at 1 January	81,974	80,787	80,787
Undistributed profit of associates of the period / year	2,255	2,657	1,911
Dividend received from associates	(1,470)	(1,470)	(1,470)
Total	82,759	81,974	81,228

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 sukuk. 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 after deducting profit attributable to Sukuk eligible as additional capital by the weighted average number of ordinary shares outstanding during the period.

	<i>For the three-month period ended 30 September</i>		<i>For the nine-month period ended 30 September</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Net profit for the period attributable to the shareholders of the Bank	385,331	361,813	1,040,394	976,896
Less: Profit attributable to Sukuk eligible as additional capital	-	-	(72,628)	(72,628)
Profit for EPS computation	385,331	361,813	967,766	904,268
Weighted average number of shares outstanding during the period (Note 11)	1,513,687	1,513,687	1,513,687	1,513,687
Basic and diluted earnings per share (QR)	0.25	0.24	0.64	0.60

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

18 CASH AND CASH EQUIVALENTS

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

	<i>30 September 2024</i>	<i>31 December 2023</i>	<i>30 September 2023</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>	<i>(Reviewed)</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Cash and balances with Qatar Central Bank (excluding restricted QCB reserve account)	467,230	1,728,587	692,454
Due from banks	3,561,379	3,647,751	2,156,569
	4,028,609	5,376,338	2,849,023

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

19 CONTINGENT LIABILITIES AND COMMITMENTS

• By type

	<i>30 September 2024</i>	<i>31 December 2023</i>	<i>30 September 2023</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>	<i>(Reviewed)</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
a) Contingent liabilities			
Unused financing facilities	4,449,837	5,050,844	7,032,574
Guarantees	5,376,119	5,815,653	5,615,494
Letters of credit	415,035	292,909	247,624
	10,240,991	11,159,406	12,895,692
b) Commitments			
Forward foreign exchange promissory contracts	2,524,621	2,325,623	1,520,642
	2,524,621	2,325,623	1,520,642
	12,765,612	13,485,029	14,416,334

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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 Board 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:

	30 September 2024 (Reviewed)		31 December 2023 (Audited)		30 September 2023 (Reviewed)	
	Associate companies QR '000	Board of Directors QR '000	Others QR '000	Associate companies QR '000	Board of Directors QR '000	Others QR '000
Assets:						
Gross financing assets	56	1,250,025	35,963	98	647,837	39,258
Participatory investment accounts	25,698	296,725	484,678	24,350	322,525	21,422
Off balance sheet items:						
Contingent liabilities and commitments	41	12,077	1,253	223	10,123	32,441
					10,010	36,017

For the nine-month period ended 30 September 2024 *For the nine-month period ended 30 September 2023*

	For the nine-month period ended 30 September 2024 (Reviewed)		For the nine-month period ended 30 September 2023 (Reviewed)			
	Associate companies QR '000	Board of Directors QR '000	Others QR '000	Associate companies QR '000	Board of Directors QR '000	Others QR '000
Consolidated statement of income items:						
Income from financing activities	₹ 826	63,328	1,904	1	41,891	2,292
Profit paid on deposits	826	11,618	13,948	657	5,647	240

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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 nine-month period ended 30 September</i>	
	<i>2024</i>	<i>2023</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<i>QR'000</i>	<i>QR'000</i>
Short term benefits	12,464	11,762
Long term benefits	1,123	1,233
	<u>13,587</u>	<u>12,995</u>

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

	<i>For the nine-month period ended 30 September</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	1,598	2,175
Credit cards	175	273
	<u>1,773</u>	<u>2,448</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 September 2024</i>	<i>31 December 2023</i>	<i>30 September 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	9,403,768	8,338,484	8,363,168
Tier 2 capital	577,521	602,184	597,436
Total eligible capital	<u>9,981,289</u>	<u>8,940,668</u>	<u>8,960,604</u>

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21 REGULATORY DISCLOSURES (CONTINUED)

Risk weighted assets

	<i>30 September 2024 (Reviewed) QR'000</i>	<i>31 December 2023 (Audited) QR'000</i>	<i>30 September 2023 (Reviewed) QR'000</i>
Risk weighted assets for credit risk	46,101,376	48,174,705	47,794,874
Risk weighted assets for market risk	3,018,099	759,271	762,258
Risk weighted assets for operational risk	2,714,654	3,664,507	3,664,507
Total risk weighted assets	51,834,129	52,598,483	52,221,639
Regulatory Capital	9,981,289	8,940,668	8,960,604
Common Equity Tier 1 (CET 1) Capital Adequacy Ratio	14.11%	11.87%	12.01%
Total Capital Adequacy Ratio	19.26%	17.00%	17.16%

	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
September 2024						
Actual	14.11%	14.11%	18.14%	19.26%	19.26%	19.26%
Minimum limit as per QCB	6.00%	8.50%	10.50%	12.50%	12.50%	14.59%
December 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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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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22 FINANCIAL RISK MANAGEMENT

22.1 Exposures subject to credit risk

Exposures and movement of expected credit loss / impairment allowances:

	30 September 2024 (Reviewed)				31 December 2023
	Stage 1 QR '000	Stage 2 QR '000	Stage 3 QR '000	Total QR '000	(Audited) QR '000
Exposures subject to ECL					
Due from banks	10,424,564	19,199	-	10,443,763	12,465,892
Debt-type investments classified at amortised cost	6,822,049	174,460	-	6,996,509	7,798,905
Financing assets*	35,242,441	4,321,529	1,380,474	40,944,444	38,193,562
Off balance sheet exposures subject to credit risk	9,562,406	678,585	-	10,240,991	11,159,406
	62,051,460	5,193,773	1,380,474	68,625,707	69,617,765
*Net of deferred profits					
Opening balance of expected credit losses / impairment losses as at 1 January 2024					
Due from banks	1,240	2	-	1,242	525
Debt-type investments classified at amortised cost	7909	7675	-	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	(14)	14	-	-	-
Debt-type investments classified at amortised cost	6	(6)	-	-	-
Financing assets	(52,601)	(3,615)	56,216	-	-
Off balance sheet exposures subject to credit risk	(43)	43	-	-	-
	(52,652)	(3,564)	56,216	-	-

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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22 FINANCIAL RISK MANAGEMENT (CONTINUED)

22.1 Exposures subject to credit risk (continued)

	30 September 2024 (Reviewed)			30 September 2023 (Reviewed) QR '000
	Stage 1 QR '000	Stage 2 QR '000	Stage 3 QR '000	Total QR '000
Write off / transfers for the period				
Due from banks	-	-	-	-
Debt-type investments classified at amortised cost	-	-	-	-
Financing assets	-	-	(1,392)	(1,392)
Off balance sheet exposures subject to credit risk	-	-	-	-
	-	-	-	(1,794)
	-	-	-	-
Charge / (reversal) for the period (net)				
Due from banks	(131)	(1)	-	(132)
Debt-type investments classified at amortised cost	(4,397)	(882)	-	(5,279)
Financing assets	41,059	(60,304)	192,133	172,888
Recovery /Reclassification from off-balance sheet to on balance sheet	-	-	3,514	3,514
Off balance sheet exposures subject to credit risk	127	(18,572)	-	(18,445)
	36,658	(79,759)	195,647	152,546
Closing balance of expected credit losses / impairment losses - as at 30 September				
Due from banks	1,095	15	-	1,110
Debt-type investments classified at amortised cost	3,518	6,787	-	10,305
Financing assets	227,006	370,380	1,201,403	1,798,789
Off balance sheet exposures subject to credit risk	40,450	25,948	-	66,398
	272,069	403,130	1,201,403	1,876,602
				1,860,158

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.