

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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

30 JUNE 2022

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022

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INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF QATAR ISLAMIC BANK (Q.P.S.C.)

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Qatar Islamic Bank (Q.P.S.C.) (the "Bank") and its subsidiaries (together referred to as the "Group") as at 30 June 2022, comprising of the interim consolidated statement of financial position as at 30 June 2022 and the interim consolidated statement of income for the three month and six month periods ended 30 June 2022, interim consolidated statement of changes in equity, interim condensed consolidated statement of cash flows and interim consolidated statement of changes in restricted investment accounts for the six month period then ended, and the related explanatory notes.

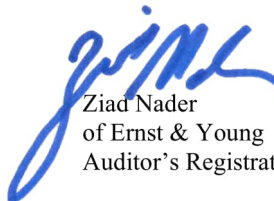
The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) as modified by Qatar Central Bank ("QCB"). 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 International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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


Ziad Nader
of Ernst & Young
Auditor's Registration No. 258

Date: 17 July 2022
Doha



INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

		30 June 2022 (Reviewed) QAR'000	31 December 2021 (Audited) QAR'000	30 June 2021 (Reviewed) QAR'000
Assets				
Cash and balances with central banks		8,392,109	7,176,507	8,848,818
Due from banks		4,950,241	7,460,696	8,145,260
Financing assets	6	126,752,878	128,408,527	127,044,505
Investment securities	7	44,739,226	44,379,772	33,486,078
Investment in associates		1,162,738	1,139,568	1,138,616
Investment properties		3,338,167	2,853,997	2,860,234
Fixed assets		553,645	570,237	588,392
Intangible assets		217,819	217,814	217,814
Other assets		2,536,585	1,708,792	1,494,225
Total assets		192,643,408	193,915,910	183,823,942
Liabilities, equity of unrestricted investment account holders and equity				
Liabilities				
Due to banks		21,855,475	19,855,882	17,162,729
Customers' current accounts		17,114,062	16,907,030	17,880,291
Sukuk financing		12,252,552	14,062,725	14,061,498
Other liabilities		3,167,113	3,490,633	3,472,118
Total liabilities		54,389,202	54,316,270	52,576,636
Equity of unrestricted investment account holders	8	112,347,785	114,187,769	107,524,911
Equity				
Share capital		2,362,932	2,362,932	2,362,932
Legal reserve	9	6,370,016	6,370,016	6,370,016
Risk reserve	10	2,444,872	2,444,872	2,436,510
General reserve	11	81,935	81,935	81,935
Fair value reserve		125,553	60,661	(40)
Foreign currency translation reserve	13	(465,356)	(466,695)	(467,252)
Other reserves		216,820	216,820	216,820
Retained earnings		10,110,053	9,665,188	7,999,790
Total equity attributable to equity holders of the bank		21,246,825	20,735,729	19,000,711
Non-controlling interests		659,596	676,142	721,684
Sukuk eligible as additional capital	14	4,000,000	4,000,000	4,000,000
Total equity		25,906,421	25,411,871	23,722,395
Total liabilities, equity of unrestricted investment account holders and equity		192,643,408	193,915,910	183,823,942

These interim condensed consolidated financial statements were approved by the Board of Directors on 17 July 2022 and were signed on its behalf by:



Jassim Bin Hamad Bin Jassim Bin Jabor Al Thani
Chairman



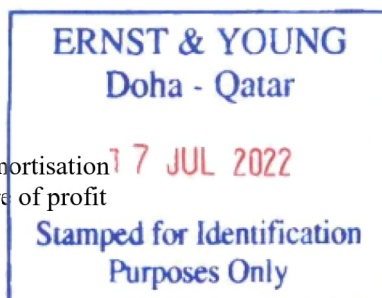
Bassam Gannar
Group Chief Executive Officer

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three and six months periods ended 30 June 2022

	For the three months period ended 30 June		For the six months period ended 30 June	
	2022 (Reviewed) QAR'000	2021 (Reviewed) QAR'000	2022 (Reviewed) QAR'000	2021 (Reviewed) QAR'000
Net income from financing activities	1,556,934	1,507,515	3,071,584	2,996,913
Net income from investing activities	345,957	277,528	688,719	546,485
Total income from financing and investing activities, net	1,902,891	1,785,043	3,760,303	3,543,398
Fee and commission income	276,574	219,535	536,807	484,460
Fee and commission expense	(67,217)	(50,769)	(130,025)	(100,487)
Net fee and commission income	209,357	168,766	406,782	383,973
Net foreign exchange gain	26,608	40,050	72,360	142,180
Net share of results of associates	26,324	15,979	39,935	17,491
Other income	1,524	2,308	4,070	24,947
Total income	2,166,704	2,012,146	4,283,450	4,111,989
Staff costs	(153,501)	(162,215)	(307,622)	(325,883)
Depreciation and amortisation	(21,270)	(22,720)	(42,746)	(45,149)
Sukuk holders' share of profit	(108,222)	(113,088)	(221,579)	(228,295)
Other expenses	(94,882)	(81,596)	(189,278)	(164,117)
Total expenses	(377,875)	(379,619)	(761,225)	(763,444)
Net impairment (losses) reversals on investment securities	(29)	(6,328)	304	(5,845)
Net impairment losses on financing assets	(366,344)	(357,239)	(884,861)	(914,761)
Other impairment reversals (losses)	1,105	(846)	47,900	6,438
Net profit for the period before tax and return to unrestricted investment account holders	1,423,561	1,268,114	2,685,568	2,434,377
Less: return to unrestricted investment account holders	(445,967)	(419,612)	(845,514)	(824,380)
Net profit for the period before tax	977,594	848,502	1,840,054	1,609,997
Tax expense	(7,746)	(2,790)	(11,048)	(8,650)
Net profit for the period	969,848	845,712	1,829,006	1,601,347
Net profit for the period attributable to:				
Equity holders of the Bank	960,233	845,290	1,815,380	1,595,320
Non-controlling interests	9,615	422	13,626	6,027
Net profit for the period	969,848	845,712	1,829,006	1,601,347
Earnings per share				
Basic / diluted earnings per share (QAR per share)	12 0.41	0.36	0.77	0.68



INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months period ended 30 June 2022

	Share capital	Legal reserve	Risk reserve	General reserve	Fair value reserve	Foreign currency translation reserve	Other reserves	Retained earnings	Total equity attributable to equity holders of the Bank	Non-controlling interests	Sukuk eligible as additional capital	Total equity
----- QAR'000 -----												
Balance at 1 January 2022	2,362,932	6,370,016	2,444,872	81,935	60,661	(466,695)	216,820	9,665,188	20,735,729	676,142	4,000,000	25,411,871
Foreign currency translation reserve movement	-	-	-	-	-	1,339	-	-	1,339	-	-	1,339
Fair value reserve movement	-	-	-	-	64,892	-	-	-	64,892	-	-	64,892
Net profit for the period	-	-	-	-	-	-	-	1,815,380	1,815,380	13,626	-	1,829,006
Total recognised income and expense for the period	-	-	-	-	64,892	1,339	-	1,815,380	1,881,611	13,626	-	1,895,237
Cash dividends paid to equity holders (Note 15)	-	-	-	-	-	-	-	(1,358,686)	(1,358,686)	-	-	(1,358,686)
Movement in non-controlling interests	-	-	-	-	-	-	-	-	-	(23,974)	-	(23,974)
Loss on settlement of equity type investments	-	-	-	-	-	-	-	(11,829)	(11,829)	(6,198)	-	(18,027)
Balance at 30 June 2022 (Reviewed)	2,362,932	6,370,016	2,444,872	81,935	125,553	(465,356)	216,820	10,110,053	21,246,825	659,596	4,000,000	25,906,421
Balance at 1 January 2021	2,362,932	6,370,016	2,436,510	81,935	(109,786)	(336,313)	216,820	7,281,413	18,303,527	902,576	4,000,000	23,206,103
Foreign currency translation reserve movement	-	-	-	-	-	(130,939)	-	-	(130,939)	-	-	(130,939)
Fair value reserve movement	-	-	-	-	109,746	-	-	-	109,746	-	-	109,746
Net profit for the period	-	-	-	-	-	-	-	1,595,320	1,595,320	6,027	-	1,601,347
Total recognised income and expense for the period	-	-	-	-	109,746	(130,939)	-	1,595,320	1,574,127	6,027	-	1,580,154
Cash dividends paid to equity holders (Note 15)	-	-	-	-	-	-	-	(945,172)	(945,172)	-	-	(945,172)
Buyback of shares by subsidiary	-	-	-	-	-	-	-	60,362	60,362	33,219	-	93,581
Movement in non-controlling interests	-	-	-	-	-	-	-	-	-	(220,138)	-	(220,138)
Gain on settlement of equity type investments	-	-	-	-	-	-	-	7,867	7,867	-	-	7,867
Balance at 30 June 2021 (Reviewed)	2,362,932	6,370,016	2,436,510	81,935	(40)	(467,252)	216,820	7,999,790	19,000,711	721,684	4,000,000	23,722,395

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Doha - Qatar

17 JUL 2022

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The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months period ended 30 June 2022

	<i>For the six months period ended 30 June</i>	
	<i>2022 (Reviewed) QAR'000</i>	<i>2021 (Reviewed) QAR'000</i>
Cash flows from operating activities		
Net profit for the period before tax	1,840,054	1,609,997
Net changes in operating assets and liabilities	3,430,239	(5,899,887)
Net cash flows from (used in) operating activities	5,270,293	(4,289,890)
Cash flows from investing activities		
Net changes in investment securities	(541,437)	(216,905)
Net changes in fixed and intangible assets	(41,901)	(38,463)
Net changes in investment properties	(474,477)	(531)
Dividends received from associate companies	12,757	12,757
Net cash flows used in investing activities	(1,045,058)	(243,142)
Cash flows from financing activities		
Change in equity of unrestricted investment account holders	(1,839,984)	6,796,623
Profit paid on sukuk eligible as additional capital	(196,337)	(205,000)
Net proceeds from sukuk issue	(1,820,000)	-
Net movement in non-controlling interests	(30,171)	(186,919)
Cash dividends paid to equity holders of the Bank	(1,358,686)	(945,172)
Net cash flows (used in) from financing activities	(5,245,178)	5,459,532
Net (decrease) increase in cash and cash equivalents	(1,019,943)	926,500
Cash and cash equivalents - beginning of the period	8,502,257	10,078,149
Cash and cash equivalents - end of the period (Note 16)	7,482,314	11,004,649

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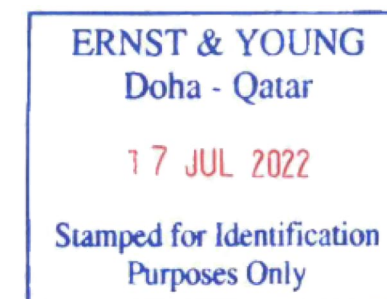
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INTERIM CONSOLIDATED STATEMENT OF CHANGES IN RESTRICTED INVESTMENT ACCOUNTS

For the six months period ended 30 June 2022

<i>Investment</i>	<i>At 1 January 2022 (Audited)</i>	<i>Movements during the period</i>				<i>At 30 June 2022 (Reviewed)</i>
		<i>Investments</i>	<i>Revaluation</i>	<i>Gross income QAR'000</i>	<i>Dividends paid</i>	
Real Estate Portfolio	22,750	-	-	-	-	22,750
Equity Securities Portfolio	1,710,285	(104,657)	1,365	71,664	(16,307)	1,659,121
	1,733,035	(104,657)	1,365	71,664	(16,307)	1,681,871

<i>Investment</i>	<i>At 1 January 2021 (Audited)</i>	<i>Movements during the period</i>				<i>At 30 Jun 2021 (Reviewed)</i>
		<i>Investments</i>	<i>Revaluation</i>	<i>Gross income QAR'000</i>	<i>Dividends paid</i>	
Real Estate Portfolio	24,570	(1,820)	-	-	-	22,750
Equity Securities Portfolio	1,585,224	60,722	(13,908)	28,505	(9,082)	1,648,083
	1,609,794	58,902	(13,908)	28,505	(9,082)	1,670,833



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
As at and for the period ended 30 June 2022

1 REPORTING ENTITY

Qatar Islamic Bank Q.P.S.C (“QIB” or the “Bank”) is an entity domiciled in the State of Qatar and was incorporated on 8 July 1982 as a Qatari Public Shareholding Company under Emiri Decree no. 45 of 1982. The commercial registration number of the Bank is 8338. The address of the Bank’s registered office is at P.O. Box 559, Doha, State of Qatar. The interim condensed consolidated financial statements of the Bank for the six months periods ended 30 June 2022 comprise the Bank and its subsidiaries (together referred to as the “Group”). The Group is primarily involved in corporate, retail and investment banking in accordance with Islamic sharia rules as determined by sharia supervisory board of the Bank and has 22 branches in Qatar and one branch in Sudan. The Parent Company of the Group is Qatar Islamic Bank (Q.P.S.C). The Bank’s shares are listed for trading on the Qatar Exchange.

The interim condensed consolidated financial statements include the financial statements of the Bank and the following principal subsidiaries:

	Country of Incorporation	Principal Business Activity	Effective percentage of ownership	
			30 June 2022	31 December 2021
Arab Finance House	Lebanon	Banking	99.99%	99.99%
Aqar Real Estate Development and Investment Company W.L.L.(“Aqar”) (i)	Qatar	Investment in real estate	49%	49%
Durat Al Doha Real Estate Investment and Development W.L.L.	Qatar	Investment in real estate	82.61%	82.61%
QIB Sukuk Ltd (ii)	Cayman Island	Sukuk issuance	100%	100%
QIB (UK)	United Kingdom	Investment banking	99.71%	99.71%
QInvest LLC	Qatar	Investment banking	65.62%	65.62%

Notes:

- i) The Group excises control over Aqar as it has the rights that give it the current ability to direct the relevant activities of Aqar. Furthermore, the Group has majority of the votes in the Board of Directors meetings of Aqar by virtue of representing the highest number of members in the Board.
- ii) QIB Sukuk Ltd was incorporated in the Cayman Islands as an exempted company with limited liability for the sole purpose of Sukuk issuance for the benefit of QIB.

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 Organisation for Islamic Financial Institutions (“AAOIFI”) as modified by the Qatar Central Bank (“QCB”).

QCB Circular 13/2020 dated 29 April 2020 modifies 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 principles of IFRS 9 “Financial Instruments” in respect of equity-type investments carried at Fair Value Through Equity. The Bank has adopted the circular from the effective date and the changes to the accounting policies have been adopted prospectively by the Bank.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended 30 June 2022

2 BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

The interim condensed consolidated financial statements as of and for the Six months period ended 30 June 2022 were prepared in accordance with FAS issued by AAOIFI and the applicable provisions of the QCB regulations.

In line with the requirements of AAOIFI, for matters that are not covered by FAS, the Group uses the guidance from the relevant International Financial Reporting Standards (“IFRSs”) as issued by the International Accounting Standards Board (“IASB”). Accordingly, the interim condensed consolidated financial statements have been prepared in accordance with the guidance provided by International Accounting Standard 34 – ‘Interim Financial Reporting’.

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 2021. In addition, results for the six months periods ended 30 June 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

(b) Estimates and judgements

The preparation of the interim condensed consolidated financial statements in conformity with FAS issued by AAOIFI as modified by QCB, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. In preparing the interim condensed consolidated financial information, significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2021.

(c) Financial risk management

The Group’s financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2021.

(d) Significant accounting policies

The significant 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 2021:

During the period, the Group applied the following standards and amendments to standards in preparation of these interim condensed consolidated financial statements. The adoption of the below standards and amendments to standards did not result in changes to previously reported net profit or equity of the Group, however, may result in additional disclosures at year end.

- **FAS 37 -Financial Reporting by Waqf Institutions**
AAOIFI has issued FAS 38 in 2020. The objective of this standard is to establish principles of financial reporting by Waqf institutions, which are established and operated in line with Shari’ah principles and rules. The implementation of this comprehensive standard is expected, in turn, to contribute towards improving effectiveness and efficiency of operations of Waqfs, maximizing benefits to the beneficiaries and encouraging proper accountability and management.
- **FAS 38 - Wa'ad, Khiyar and Tahawwut**
AAOIFI has issued FAS 38 in 2020. The objective of this standard is to prescribe the accounting and reporting principles for recognition, measurement and disclosure in relation to Shari'ah compliant Wa'ad (promise), Khiyar (option) and Tahawwut (hedging) arrangements for Islamic financial institutions.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
As at and for the period ended 30 June 2022

2 BASIS OF PREPARATION (CONTINUED)

(e) New standards, amendments and interpretations issued but not yet effective

• ***FAS 1 (Revised 2021) - General Presentation and Disclosures in the Financial Statements***

AAOIFI has issued revised FAS 1 in 2021. The revised FAS 1 supersedes the earlier FAS 1 General Presentation and Disclosures in the Financial Statements of Islamic Banks and Financial Institutions and introduces the concepts of quasi-equity, off-balance-sheet assets under management and other comprehensive income to enhance the information provided to the users of the financial statements. This standard shall be effective for the financial periods beginning on or after 1 January 2023 with early adoption permitted. The Group is currently evaluating the impact of the above standards.

• ***FAS 39 - Financial Reporting for Zakah***

AAOIFI has issued FAS 39 in 2021. This standard improves upon and supersedes FAS 9 on “Zakah” and aims at setting out the accounting treatment of Zakah in the books of the institutions, including the presentation and disclosure by an Islamic financial institution. The accounting and financial reporting requirements such as recognition, presentation and disclosure requirements of this standard shall apply to institutions that are obliged to pay Zakah on behalf of certain or all stakeholders. Institutions that are not obliged to pay Zakah shall apply the disclosure requirements of this standard for certain or all stakeholders, as relevant. This standard shall be effective for the financial periods beginning on or after 1 January 2023 with early adoption permitted. The Group is currently evaluating the impact of the above standards.

• ***FAS 40 - Financial Reporting for Islamic Finance Windows***

AAOIFI has issued FAS 40 in 2021. The objective of this revised standard is to establish financial reporting requirements for Islamic finance windows and applicable to all conventional financial institutions providing Islamic financial services through an Islamic finance window. This standard improves upon and supersedes FAS 18 “Islamic Financial Services Offered by Conventional Financial Institutions”. This standard shall be effective for the financial periods beginning on or after 1 January 2024 with early adoption permitted. The Group is currently evaluating the impact of the above standards.

(f) Key changes to the significant estimates and judgements

Investment classification

Assessment of the business model within which the investments are managed, and assessment of whether the contractual terms of the investment represents either a debt-type instrument or other investment instrument having reasonably determinable effective yield.

(g) Adoption of QCB circular 13/2020

Measurement of equity-type instruments classified as fair value through equity

The Group may elect to present in statement of changes in equity changes in the fair value of certain investments in equity-type instruments that are not held for trading. The election is made on an instrument by instrument basis on initial recognition and is irrevocable. Gains and losses on such equity-type instruments are never subsequently reclassified to consolidated income statement, including on disposal. However, cumulative gains and losses recognised in fair value reserve are transferred to retained earnings on disposal of an investment. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in consolidated income statement, unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in statement of changes in equity.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
As at and for the period ended 30 June 2022**3 OPERATING SEGMENTS**

The Group has four 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 Chief Executive Officer reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

Corporate banking – Corporate Banking includes services offered to institutional investors, corporate, other banks, and investment vehicles such as mutual funds or pensions.

Personal banking – Personal banking includes services that are offered to individual customers through local branches of the Bank which includes checking and savings accounts, credit cards, personal lines of credit, mortgages, and so forth.

Group function – treasury, investment, finance and other central functions.

Local & international subsidiaries – Local and international subsidiaries include the Groups local and international subsidiaries all of which are consolidated in the Group financial statements.

Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Chief Executive Officer. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information regarding the results, assets and liabilities of each reportable segment is included below:

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended 30 June 2022

3 OPERATING SEGMENTS (CONTINUED)**Information about operating segments**

<i>30 June 2022 (Reviewed)</i>	<i>Corporate banking QAR'000</i>	<i>Personal banking QAR'000</i>	<i>Group function QAR'000</i>	<i>Local & international subsidiaries QAR'000</i>	<i>Total QAR'000</i>
External revenue:					
Total income from financing and investing activities	2,298,356	856,415	431,203	174,329	3,760,303
Net fee and commission income	132,820	147,670	100,152	26,140	406,782
Net foreign exchange gain	-	-	52,556	19,804	72,360
Share of results of associates	-	-	33,503	6,432	39,935
Other income	-	-	-	4,070	4,070
Total income	2,431,176	1,004,085	617,414	230,775	4,283,450
Sukuk holders' share of profit	-	-	(221,579)	-	(221,579)
Return to unrestricted investment account holders	(483,256)	(227,646)	(108,590)	(26,022)	(845,514)
Inter segment (cost) revenue	(666,111)	211,300	454,811	-	-
Reportable segment net profit after tax	402,834	562,469	743,725	119,978	1,829,006
<i>30 June 2021 (Reviewed)</i>	<i>Corporate banking QAR'000</i>	<i>Personal banking QAR'000</i>	<i>Group function QAR'000</i>	<i>Local & international subsidiaries QAR'000</i>	<i>Total QAR'000</i>
External revenue:					
Total income from financing and investing activities	2,080,452	901,736	440,671	120,539	3,543,398
Net fee and commission income	118,699	110,727	91,454	63,093	383,973
Net foreign exchange gain	-	-	50,809	91,371	142,180
Share of results of associates	-	-	12,359	5,132	17,491
Other income	-	-	20,000	4,947	24,947
Total income	2,199,151	1,012,463	615,293	285,082	4,111,989
Sukuk holders' share of profit	-	-	(228,295)	-	(228,295)
Return to unrestricted investment account holders	(370,898)	(233,309)	(199,614)	(20,559)	(824,380)
Inter segment (cost) revenue	(716,913)	244,037	472,876	-	-
Reportable segment net profit after tax	296,621	538,985	624,417	141,324	1,601,347

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended 30 June 2022

3 OPERATING SEGMENTS (CONTINUED)

	<i>Corporate banking QAR'000</i>	<i>Personal banking QAR'000</i>	<i>Group function QAR'000</i>	<i>Local & international subsidiaries QAR'000</i>	<i>Total QAR'000</i>
<i>30 June 2022 (Reviewed)</i>					
Reportable segment assets	121,053,806	25,144,484	39,519,403	6,925,715	192,643,408
Reportable segment liabilities and equity of unrestricted investments account holders	65,235,218	46,612,481	48,306,548	6,582,740	166,736,987
<i>31 December 2021 (Audited)</i>					
Reportable segment assets	123,825,437	23,846,413	39,979,620	6,264,440	193,915,910
Reportable segment liabilities and equity of unrestricted investments account holders	63,739,603	44,525,279	54,062,865	6,176,292	168,504,039

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 As at and for the period ended 30 June 2022

4 FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS

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

	<i>Fair value through equity</i>	<i>Fair value through income statement</i>	<i>Amortised cost QAR'000</i>	<i>Total carrying amount</i>	<i>Fair value</i>
	-----	-----	-----	-----	-----
30 June 2022 (Reviewed)					
Cash and balances with central banks	-	-	8,392,109	8,392,109	8,392,109
Due from banks	-	-	4,950,241	4,950,241	4,950,241
Financing assets	-	-	126,752,878	126,752,878	126,752,878
Investment securities					
- Equity type instruments	2,458,360	1,443,052	-	3,901,412	3,901,412
- Debt type instruments	-	230,230	40,607,584	40,837,814	40,472,169
Other assets	-	-	642,959	642,959	642,959
	2,458,360	1,673,282	181,345,771	185,477,413	185,111,768
Due to banks	-	-	21,855,475	21,855,475	21,855,475
Customers' current accounts	-	-	17,114,062	17,114,062	17,114,062
Sukuk financing	-	-	12,252,552	12,252,552	12,252,552
Other liabilities	-	-	3,167,113	3,167,113	3,167,113
Equity of unrestricted investment account holders	-	-	112,347,785	112,347,785	112,347,785
	-	-	166,736,987	166,736,987	166,736,987
31 December 2021 (Audited)					
Cash and balances with central banks	-	-	7,176,507	7,176,507	7,176,507
Due from banks	-	-	7,460,696	7,460,696	7,460,696
Financing assets	-	432,315	127,976,212	128,408,527	128,408,527
Investment securities:					
- Equity type instruments	2,337,228	1,428,483	-	3,765,711	3,765,711
- Debt type instruments	-	325,568	40,288,493	40,614,061	40,387,805
Other assets	-	-	482,481	482,481	482,481
	2,337,228	2,186,366	183,384,389	187,907,983	187,681,727
Due to banks	-	-	19,855,882	19,855,882	19,855,882
Customers' current accounts	-	-	16,907,030	16,907,030	16,907,030
Sukuk financing	-	-	14,062,725	14,062,725	14,062,725
Other liabilities	-	-	3,490,633	3,490,633	3,490,633
Equity of unrestricted investment account holders	-	-	114,187,769	114,187,769	114,187,769
	-	-	168,504,039	168,504,039	168,504,039

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 As at and for the period ended 30 June 2022

4 FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTINUED)

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 2,811 million (31 December 2021: QAR 2,737 million) for which the fair value amounts to QAR 2,745 million (31 December 2021: QAR 2,757 million), which is derived using level 1 fair value hierarchy.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial investments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

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, other valuation techniques where all significant inputs are directly or indirectly observable from market data.; and

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.

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

As at 30 June 2022 and 31 December 2021, the Group held the following financial instruments measured at fair value:

<i>30 June 2022 (Reviewed)</i>	<i>Fair value measurement using</i>			
	<i>Total</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
	<i>QAR'000</i>			
Shari'a compliant risk management instruments (assets)	182,584	-	182,584	-
Investments securities				
Quoted equity-type investments classified FVTIS	120,370	120,370	-	-
Quoted debt-type investments classified as FVTIS	9,758	9,758	-	-
Unquoted debt-type investments classified as FVTIS	220,472	-	220,472	-
Unquoted equity-type investments classified as FVTIS	1,322,682	2,344	210,222	1,110,116
Quoted equity-type investments classified as FVTE	1,464,670	459,599	1,005,071	-
Unquoted equity-type investments classified as FVTE	993,690	-	538,220	455,470
Financing assets classified as FVTIS	444,191	-	-	444,191
Shari'a compliant risk management instruments (liabilities)	187,776	-	187,776	-

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended 30 June 2022

4 FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTINUED)**Fair value hierarchy (continued)**

<i>31 December 2021 (Audited)</i>	<i>Fair value measurement using</i>			
	<i>Total</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
	<i>QAR'000</i>			
Shari'a compliant risk management instruments (assets)	88,803	-	88,803	-
Investments securities				
Quoted equity-type investments classified as FVTIS	345,977	345,977	-	-
Quoted debt-type investments classified as FVTIS	12,992	12,992	-	-
Unquoted debt-type investments classified as FVTIS	312,576	-	312,576	-
Unquoted equity-type investments classified as FVTIS	1,082,506	-	209,441	873,065
Quoted equity-type investments classified as FVTE	1,354,854	833,981	520,873	-
Unquoted equity-type investments classified as FVTE	982,374	-	600,536	381,838
Financing assets classified as FVTIS	432,315	-	-	432,315
Shari'a compliant risk management instruments (liabilities)	202,286	-	202,286	-

*FVTIS – Fair value through income statement**FVTE – Fair value through equity***Transfers within the fair value hierarchy**

During the period ended 30 June 2022 and year ended 31 December 2021, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The valuation technique in measuring the fair value financial instruments categorized as level 3 were in line with 31 December 2021.

The following table shows the reconciliation of the opening and closing amounts of level 3 investments which are recorded at fair value:

	<i>At</i>	<i>Total (loss) / gain recorded</i>		<i>Sales /</i>	<i>At 30 June</i>
	<i>1 January</i>	<i>in consolidated</i>	<i>Purchases</i>	<i>transfers</i>	<i>2022</i>
	<i>2022</i>	<i>income statement /</i>			<i>(Reviewed)</i>
	<i>(Audited)</i>	<i>equity</i>			
		<i>QAR'000</i>			
Equity investments:					
at fair value through equity	381,838	(18,473)	102,239	(10,134)	455,470
at fair value through income statement	873,065	(20,726)	330,680	(72,903)	1,110,116
Financing assets classified as FVTIS	432,315	10,459	1,417	-	444,191
	1,687,218	(28,740)	434,336	(83,037)	2,009,777

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 As at and for the period ended 30 June 2022

4 FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTINUED)
Transfers within the fair value hierarchy (continued)

	<i>At 1 January 2021 (Audited)</i>	<i>Total (loss) / gain recorded in consolidated income statement / equity</i>	<i>Purchases</i>	<i>Sales/ transfers</i>	<i>At 31 December 2021 (Audited)</i>
	----- QAR '000 -----				
Equity investments:					
at fair value through equity	297,747	(14,918)	103,068	(4,059)	381,838
at fair value through income statement	744,187	12,286	235,092	(118,500)	873,065
Financing assets classified as FVTIS	512,275	(3,048)	9,915	(86,827)	432,315
	<u>1,554,209</u>	<u>(5680)</u>	<u>348,075</u>	<u>(209,386)</u>	<u>1,687,218</u>

5 IMPAIRMENT
Equity-type investments classified as fair value through equity

With effect from the issuance of QCB circular 13/2020, equity type instruments classified as fair value through equity are not tested for impairment. However prior to that, equity-type investments classified as fair value through equity and measured at fair value, a significant or prolonged decline in the fair value of an investment below its cost is considered in determining whether the investments are impaired. If any such evidence exists for equity-type investments classified as fair value through equity, the cumulative loss previously recognised in the interim consolidated statement of changes in equity is removed from equity and recognised in the interim consolidated income statement. Impairment losses recognised in the interim consolidated income statement on equity-type investments are subsequently reversed through equity.

Investment properties

Investment properties held for rental or capital appreciation is measured at fair value with the resulting unrealised gains being recognised in the interim consolidated statement of changes in equity under fair value reserve. Any unrealized losses resulting from re-measurement at fair value is recognized in the interim consolidated statement of financial position under fair value reserve to the extent of available balance. In case such losses exceed the available balance, the unrealized loss is recognized in the interim consolidated income statement. In case there are unrealized losses that have been recognized in the interim consolidated income statement in a previous financial year/period, the unrealized gains related to the current financial period is recognized to the extent of crediting back such previous losses in the interim consolidated income statement. Any excess of such gains over such prior-year losses is added to the fair value reserve.

Financial assets carried at amortised cost (including investment in sukuk instruments classified as amortised cost)

For financial assets carried at amortised cost, impairment is recognised based on FAS 30 provided that such impairments are not less than QCB impairment requirements. Losses are recognised in interim consolidated income statement and reflected in an allowance account. The Group has provided QAR 884.9 million (30 June 2021: QAR 914.8 million) as impairment on financing assets which was recognised under "Net impairment losses on financing assets" in the interim consolidated income statement. Further, the Group has recognised impairment reversals of QAR 0.3 million (30 June 2021: QAR 5.8 million impairment charge) on investment securities which was recognised under "Net impairment (losses) reversals on investment securities" in the interim consolidated income statement as disclosed in note 20 to these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 As at and for the period ended 30 June 2022

6 FINANCING ASSETS

	30 June 2022 (Reviewed) QAR'000	31 December 2021 (Audited) QAR'000	30 June 2021 (Reviewed) QAR'000
Total financing assets	140,965,118	140,912,480	139,772,690
Less: Deferred profit	(8,516,807)	(7,665,654)	(8,278,872)
Expected credit losses on financing assets - performing (Stage 1 and 2) *	(3,828,101)	(3,013,742)	(2,654,113)
Allowance for impairment on financing assets – credit impaired (Stage 3) *	(1,808,472)	(1,768,841)	(1,733,554)
Suspended profit	(58,860)	(55,716)	(61,646)
Net financing assets	<u>126,752,878</u>	<u>128,408,527</u>	<u>127,044,505</u>

Note:

Net financing assets include hybrid instruments amounting to QAR 444 million designated as fair value through income statement ('FVTIS') (31 December 2021: QAR 432 million) which are not subject to impairment assessment.

The impaired financing assets net of deferred profit amounted to QAR 1,961 million as at 30 June 2022 representing 1.5% of the total financing assets net of deferred profit (31 December 2021: QAR 2,390 million, representing 1.8% of the total financing assets net of deferred profit).

**For stage wise exposure and allowance for impairment refer to note 20.*

7 INVESTMENT SECURITIES

	30 June 2022 (Reviewed)			31 December 2021 (Audited)			30 June 2021 (Reviewed)		
	Quoted QAR'000	Unquoted QAR'000	Total QAR'000	Quoted QAR'000	Unquoted QAR'000	Total QAR'000	Quoted QAR'000	Unquoted QAR'000	Total QAR'000
<i>Investments classified as fair value through income statement</i>									
• equity-type investments	120,370	1,322,682	1,443,052	345,977	1,082,506	1,428,483	263,902	963,764	1,227,666
• debt-type investments									
- Fixed rate	9,758	220,472	230,230	12,992	312,576	325,568	11,733	321,649	333,382
	130,128	1,543,154	1,673,282	358,969	1,395,082	1,754,051	275,635	1,285,413	1,561,048
<i>Debt-type investments classified at amortised cost</i>									
- State of Qatar Sukuk and QCB Murabaha	2,067,663	37,778,970	39,846,633	2,070,015	37,551,410	39,621,425	2,072,406	26,836,493	28,908,899
- Fixed rate	757,071	107,309	864,380	663,549	107,252	770,801	834,123	107,633	941,756
Less: allowance for impairment*	(195)	(103,234)	(103,429)	(504)	(103,229)	(103,733)	(2,631)	(103,259)	(105,890)
	2,824,539	37,783,045	40,607,584	2,733,060	37,555,433	40,288,493	2,903,898	26,840,867	29,744,765
<i>Equity-type investments classified as fair value through equity</i>									
	1,464,670	993,690	2,458,360	1,354,854	982,374	2,337,228	1,162,460	1,017,805	2,180,265
	4,419,337	40,319,889	44,739,226	4,446,883	39,932,889	44,379,772	4,341,993	29,144,085	33,486,078

*For stage wise exposure and allowance for impairment refer to note 20.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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8 EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS

	<i>30 June 2022 (Reviewed) QAR'000</i>	<i>31 December 2021 (Audited) QAR'000</i>	<i>30 June 2021 (Reviewed) QAR'000</i>
Term accounts	88,630,514	90,884,114	84,562,548
Saving accounts	20,480,966	19,789,956	19,581,036
Call accounts	3,149,488	3,409,931	3,286,369
	112,260,968	114,084,001	107,429,953
Share in fair value reserve	86,817	103,768	94,958
Total	112,347,785	114,187,769	107,524,911

9 LEGAL RESERVE

In accordance with QCB Law No. 13 of 2012, 10% of net profit attributable to the owners of the Bank for the year is required to be transferred to the reserve until the legal reserve equals 100% of the paid up share capital at a minimum. This reserve is not available for distribution except in circumstances specified in Qatar Commercial Companies Law No. 11 of 2015 and after QCB approval. No appropriation was made in the current period as the legal reserve exceeds 100% of the paid up share capital.

10 RISK RESERVE

In accordance with QCB regulations, a risk reserve should be created to cover contingencies on both the public and private sector financing assets, with a minimum requirement of 2.5% of the total private 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. No transfer to risk reserve has been made during the period as the required amount will be transferred at year end (31 December 2021: QAR 8.4 million was transferred to risk reserve).

11 GENERAL RESERVE

In accordance with the Articles of Association of the Bank, the General Assembly may transfer a portion of the net profits to the general reserve which could be based on the General Assembly Resolution as per recommendation from Board of Directors and after the approval from Qatar Central Bank.

12 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Bank for the period by the weighted average number of ordinary shares as outstanding during the period.

	<i>For the three months period ended 30 June</i>		<i>For the six months period ended 30 June</i>	
	<i>2022 (Reviewed)</i>	<i>2021 (Reviewed)</i>	<i>2022 (Reviewed)</i>	<i>2021 (Reviewed)</i>
Profit for the period attributable to equity holders of the Bank (QAR'000)	960,233	845,290	1,815,380	1,595,320
Weighted average number of shares outstanding during the period (QAR'000)	2,362,932	2,362,932	2,362,932	2,362,932
Basic and diluted earnings per share (QAR)	0.41	0.36	0.77	0.68

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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13 FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as from the translation of liabilities and gains and losses on risk management instruments that hedge the Group's net investment in foreign operations and gains and losses on revaluation of foreign currency non-monetary assets carried at fair value for which gain or loss is recognized in foreign currency translation reserve in interim consolidated statement of changes in equity.

14 SUKUK ELIGIBLE AS ADDITIONAL CAPITAL

During 2015, the Group issued perpetual sukuk eligible as additional tier 1 capital for an amount of QAR 2 billion. The sukuk is unsecured and the profit distributions are discretionary, non-cumulative and payable annually at an agreed expected profit rate of 5% to be reset every sixth year. During 2021 the first reset period lapsed and a new profit rate of 4.13365% has been reset for the coming six years. 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 have been classified as equity. During September 2016, the Group raised additional tier 1 capital by issuing a perpetual sukuk for an amount of QR 2 billion at an agreed expected profit rate of 5.25% to be reset every sixth year.

15 DIVIDENDS

The equity holders of the Bank approved 57.5% cash dividends of (QAR 0.575 per share) amounting to QAR 1,358.7 million for the year ended 31 December 2021 in the general assembly meeting held on 22 February 2022 (QAR 945.2 million for the year ended 31 December 2020).

16 CASH AND CASH EQUIVALENTS

For the purpose of 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 2022 (Reviewed) QAR'000</i>	<i>31 December 2021 (Audited) QAR'000</i>	<i>30 June 2021 (Reviewed) QAR'000</i>
Cash and balances with central banks (excluding restricted QCB and other central banks reserve account)	2,708,569	1,171,395	3,275,586
Due from banks	<u>4,773,745</u>	<u>7,330,862</u>	<u>7,729,063</u>
Total	<u>7,482,314</u>	<u>8,502,257</u>	<u>11,004,649</u>

17 CONTINGENT LIABILITIES AND COMMITMENTS

	<i>30 June 2022 (Reviewed) QAR'000</i>	<i>31 December 2021 (Audited) QAR'000</i>	<i>30 June 2021 (Reviewed) QAR'000</i>
a) Contingent liabilities			
Unused financing facilities	8,502,179	7,731,497	6,720,117
Guarantees	8,492,303	8,393,739	9,758,757
Letters of credit	<u>4,573,511</u>	<u>6,193,367</u>	<u>5,413,873</u>
	<u>21,567,993</u>	<u>22,318,603</u>	<u>21,892,747</u>
b) Commitments			
Investment commitment	<u>510,361</u>	213,614	<u>187,662</u>
Total	<u>22,078,354</u>	<u>22,532,217</u>	<u>22,080,409</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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18 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include the significant equity holders and entities over which the Group and the equity holders' exercise significant influence, directors and executive management of the Group.

The related party transactions and balances included in these interim condensed consolidated financial statements are as follows:

	30 June 2022		31 December 2021	
	(Reviewed)		(Audited)	
	<i>Associated companies</i>	<i>Board of Directors</i>	<i>Associated companies</i>	<i>Board of Directors</i>
	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>
Assets:				
Financing assets	3,036,556	4,758,133	3,169,957	4,842,850
Equity of unrestricted investment account holders	334,372	1,749,991	353,040	1,442,878
Off balance sheet items:				
Contingent liabilities, guarantees and other commitments	123,436	122,988	125,798	55,245
	30 June 2022		30 June 2021	
	(Reviewed)		(Reviewed)	
	<i>Associated companies</i>	<i>Board of Directors</i>	<i>Associated companies</i>	<i>Board of Directors</i>
	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>
Consolidated statement of income items:				
Income from financing activities	61,317	110,856	81,367	108,678
Profit paid on deposits	1,356	14,974	1,344	17,016
Net Fee and commission	547	8,470	568	4,549

Key management personnel compensation for the period comprised:

	30 June 2022	30 June 2021
	(Reviewed)	(Reviewed)
	QAR'000	QAR'000
Key management remuneration	41,556	39,481

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 As at and for the period ended 30 June 2022

19 CAPITAL ADEQUACY RATIO

As per Qatar Central Bank regulations, the Group has calculated the capital adequacy ratios in accordance with Basel III guidelines. The Group's minimum QCB regulatory limit, including the Capital Conservation Buffer, ICAAP pillar II capital charge and the applicable Domestically Systemically Important Bank ("DSIB") Buffer is 14.65%.

The table below summarises the composition of prevailing regulatory capital and the ratios of the Group. The Group complied with the externally imposed capital requirements to which they are subject to:

	<i>30 June 2022 QAR'000 (Reviewed)</i>	<i>31 December 2021 QAR'000 (Audited)</i>	<i>30 June 2021 QAR'000 (Reviewed)</i>
Common Equity Tier 1 (CET 1) Capital	19,796,489	19,716,441	17,829,899
Tier 1 capital	23,853,013	23,765,517	21,882,451
Tier 2 capital	1,635,475	1,579,436	1,506,298
Total regulatory capital	25,488,488	25,344,953	23,388,749
Risk weighted assets	137,483,981	134,045,196	126,920,371
Common equity tier 1 (CET 1) capital adequacy ratio	14.4%	14.7%	14.0%
QCB minimum	8.5%	8.5%	9.5%
Total capital adequacy ratio	18.5%	18.9%	18.4%
QCB minimum including DSIB and ICAAP pillar II capital charge	14.65%	14.65%	14.5%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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20 FINANCIAL RISK MANAGEMENT
Exposure and movement of expected credit loss / impairment allowances

	30 June 2022			Total	31 December 2021
	Stage 1	Stage 2	Stage 3		
	----- QAR'000 -----				
Exposures subject to expected credit losses					
Due from central banks	7,015,188	-	655,511	7,670,699	6,624,783
Due from banks	4,920,784	29,060	19,735	4,969,579	7,480,826
Debt type investments carried at amortised cost	40,564,829	36,847	109,337	40,711,013	40,392,226
Financing assets*	109,282,321	20,510,335	1,902,093	131,694,749	133,191,110
Off balance sheet exposures subject to credit risk	20,110,064	1,318,802	139,127	21,567,993	22,318,603
	181,893,186	21,895,044	2,825,803	206,614,033	210,007,548
30 June 2021					
Opening balance of expected credit losses / impairment losses as at 1 January					
Due from central banks	-	-	218,000	218,000	218,000
Due from banks	182	3	19,945	20,130	21,208
Debt type investments carried at amortised cost	153	358	103,222	103,733	100,045
Financing assets	2,215,969	797,773	1,768,841	4,782,583	3,901,098
Off balance sheet exposures subject to credit risk	19,359	1,074	27,678	48,111	50,524
	2,235,663	799,208	2,137,686	5,172,557	4,290,875
Net transfer between stages					
Due from central banks	-	-	-	-	-
Due from banks	-	-	-	-	-
Debt type investments carried at amortised cost	-	-	-	-	-
Financing assets	(32,822)	44,124	(11,302)	-	-
Off balance sheet exposures subject to credit risk	-	-	-	-	-
	(32,822)	44,124	(11,302)	-	-
Write off / transfers for the period					
Due from central banks	-	-	-	-	-
Due from banks	-	-	-	-	-
Debt type investments carried at amortised cost	-	-	-	-	-
Financing assets	(518)	(15,020)	(15,333)	(30,871)	(428,192)
Off balance sheet exposures subject to credit risk	-	-	-	-	-
	(518)	(15,020)	(15,333)	(30,871)	(428,192)
Charge / (reversal) for the period (net) including foreign currency translation					
Due from central banks	-	-	-	-	-
Due from banks	321	(3)	(210)	108	(635)
Debt type investments carried at amortised cost	49	(353)	-	(304)	5,845
Financing assets	946,843	(128,248)	66,266	884,861	914,761
Off balance sheet exposures subject to credit risk	4,543	1,859	77	6,479	(5,803)
	951,756	(126,745)	66,133	891,144	914,168
Closing balance of expected credit losses / impairment losses - as at 30 June (Reviewed)					
Due from central banks	-	-	218,000	218,000	218,000
Due from banks	503	-	19,735	20,238	20,573
Debt type investments carried at amortised cost	202	5	103,222	103,429	105,890
Financing assets	3,129,472	698,629	1,808,472	5,636,573	4,387,667
Off balance sheet exposures subject to credit risk	23,902	2,933	27,755	54,590	44,721
	3,154,079	701,567	2,177,184	6,032,830	4,776,851

*net of suspended profit

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 As at and for the period ended 30 June 2022

20 FINANCIAL RISK MANAGEMENT (CONTINUED)
Credit quality assessments

The table below provides an analysis of counterparties by rating grades and credit quality of the Group's credit risk, based on third party rating agency's rating scale (or their equivalent) as at 30 June 2022.

<i>Rating grade</i>	<i>Due from central banks QAR'000</i>	<i>Due from banks QAR'000</i>	<i>Debt type investments carried at amortised cost QAR'000</i>	<i>Financing assets QAR'000</i>	<i>Off balance sheet exposures subject to credit risk QAR'000</i>	<i>Total QAR'000</i>
AAA to AA-	6,989,507	2,222,730	40,303,641	23,371,818	4,801,576	77,689,272
A+ to A-	-	2,540,044	68,132	4,609,659	356,082	7,573,917
BBB to BBB-	-	42,712	36,847	81,674,299	12,075,426	93,829,284
BB+ to B-	-	73,672	170,739	15,001,012	4,148,319	19,393,742
Unrated	681,192	90,421	131,654	7,037,961	186,590	8,127,818
Total	7,670,699	4,969,579	40,711,013	131,694,749	21,567,993	206,614,033

21 COMPARATIVE INFORMATION

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