

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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

31 MARCH 2021

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 March 2021

Contents	Page(s)
Independent auditor's review report	1
Interim consolidated statement of financial position	2
Interim consolidated income statement	3
Interim consolidated statement of changes in equity	4
Interim condensed consolidated statement of cash flows	5
Interim consolidated statement of changes in restricted investment accounts	6
Notes to the interim condensed consolidated financial statements	7 - 24

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 (the "Group") as at 31 March 2021, comprising of the interim consolidated statement of financial position as at 31 March 2021 and the interim consolidated statements of income, 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 three months 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 the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) as modified by Qatar Central Bank ("QCB").

Other matter

The interim condensed consolidated financial statements of the Group as at 31 March 2020 were reviewed and the consolidated financial statements as at 31 December 2020 were audited by another auditor, whose reports dated 15 April 2020 and 2 February 2021, respectively, expressed an unmodified review and audit opinions.


Ziad Nader
of Ernst & Young
Auditor's Registration No. 258
Date: 11 April 2021
Doha


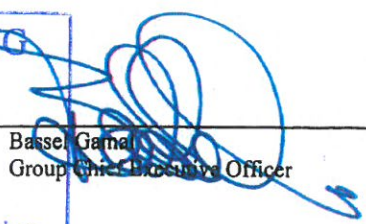


INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

		31 March 2021 (Reviewed) QAR'000	31 December 2020 (Audited) QAR'000	31 March 2020 (Reviewed) QAR'000
Assets				
Cash and balances with central banks		9,059,618	8,357,282	11,543,659
Due from banks		6,197,317	6,913,258	1,982,504
Financing assets	6	125,128,160	119,072,432	113,987,328
Investment securities	7	33,513,579	33,248,109	33,012,167
Investment in associates		1,129,914	1,133,692	532,419
Investment properties		2,844,537	2,862,523	2,158,350
Fixed assets		454,499	462,247	440,875
Intangible assets		367,745	369,984	379,470
Other assets		1,519,946	1,936,648	2,015,548
Total assets		180,215,315	174,356,175	166,052,320
Liabilities, equity of unrestricted investment account holders and equity				
Liabilities				
Due to banks		12,768,593	13,827,746	17,281,552
Customers' current accounts		18,060,740	17,415,693	15,438,808
Sukuk financing		14,062,991	14,058,643	13,870,157
Other liabilities		4,536,542	5,119,702	3,382,759
Total liabilities		49,428,866	50,421,784	49,973,276
Equity of unrestricted investment account holders	8	107,922,387	100,728,288	94,802,197
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	2,436,510	2,436,510	2,380,093
General reserve	11	81,935	81,935	81,935
Fair value reserve		(32,017)	(109,786)	(26,091)
Foreign currency translation reserve	13	(456,268)	(336,313)	(357,827)
Other reserves		216,820	216,820	216,820
Retained earnings		7,158,732	7,281,413	5,242,003
Total equity attributable to equity holders of the bank		18,138,660	18,303,527	16,269,881
Non-controlling interests		725,402	902,576	1,006,966
Sukuk eligible as additional capital	14	4,000,000	4,000,000	4,000,000
Total equity		22,864,062	23,206,103	21,276,847
Total liabilities, equity of unrestricted investment account holders and equity		180,215,315	174,356,175	166,052,320

These interim condensed consolidated financial statements were approved by the Board of Directors on 11 April 2021 and were signed on its behalf by:

 Jassim Bin Hamad Bin Jassim Bin Jabor Al Thani Chairman	<div style="border: 1px solid blue; padding: 5px; display: inline-block;"> ERNST & YOUNG Doha - Qatar 11 APR 2021 Stamped for Identification Purpose Only </div>	 Bassel Gamal Group Chief Executive Officer
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The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED INCOME STATEMENT

For the three months periods ended 31 March 2021

	<i>For the three months period ended 31 March</i>	
	2021 <i>(Reviewed)</i> QAR'000	2020 <i>(Reviewed)</i> QAR'000
	<i>Note</i>	
Net income from financing activities	1,489,398	1,508,633
Net income from investing activities	268,957	218,832
Total income from financing and investing activities, net	1,758,355	1,727,465
Fee and commission income	264,925	210,939
Fee and commission expense	(49,718)	(47,922)
Net fee and commission income	215,207	163,017
Net foreign exchange gain	102,130	27,247
Net share of results of associates	1,512	1,762
Other income	22,639	24,699
Total income	2,099,843	1,944,190
Staff costs	(163,668)	(160,678)
Depreciation and amortisation	(22,429)	(22,014)
Sukuk holders' share of profit	(115,207)	(110,346)
Other expenses	(82,521)	(88,465)
Total expenses	(383,825)	(381,503)
Net impairment reversals (losses) on investment securities	483	(20,137)
Net impairment losses on financing assets	(557,522)	(218,944)
Goodwill impairment	-	(22,100)
Other impairment reversals (losses)	7,284	(15,169)
Net profit for the period before tax and return to unrestricted investment account holders	1,166,263	1,286,337
Less: return to unrestricted investment account holders	(404,768)	(641,036)
Net profit for the period before tax	761,495	645,301
Tax expense	(5,860)	(2,197)
Net profit for the period	755,635	643,104
Net profit (loss) for the period attributable to:		
Equity holders of the Bank	750,030	687,505
Non-controlling interests	5,605	(44,401)
Net profit for the period	755,635	643,104
Earnings per share		
Basic and diluted earnings per share (QAR per share)	12 0.32	0.29

ERNST & YOUNG
Doha - Qatar

11 APR 2021

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months period ended 31 March 2021

	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 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	-	-	-	-	-	(119,955)	-	-	(119,955)	-	-	(119,955)
Fair value reserve movement	-	-	-	-	77,769	-	-	-	77,769	-	-	77,769
Net profit for the period	-	-	-	-	-	-	-	750,030	750,030	5,605	-	755,635
Total recognised income and expense for the period	-	-	-	-	77,769	(119,955)	-	750,030	707,844	5,605	-	713,449
Cash dividends paid to equity holders (Note 15)	-	-	-	-	-	-	-	(945,172)	(945,172)	-	-	(945,172)
Buyback of shares by subsidiary	-	-	-	-	-	-	-	60,595	60,595	32,986	-	93,581
Movement in non-controlling interests	-	-	-	-	-	-	-	-	-	(215,765)	-	(215,765)
Gain on settlement of equity type investments	-	-	-	-	-	-	-	11,866	11,866	-	-	11,866
Balance at 31 March 2021 (Reviewed)	2,362,932	6,370,016	2,436,510	81,935	(32,017)	(456,268)	216,820	7,158,732	18,138,660	725,402	4,000,000	22,864,062
Balance at 1 January 2020	2,362,932	6,370,016	2,380,093	81,935	242,377	(316,204)	216,820	5,795,037	17,133,006	1,026,306	4,000,000	22,159,312
Foreign currency translation reserve movement	-	-	-	-	-	(41,623)	-	-	(41,623)	-	-	(41,623)
Fair value reserve movement	-	-	-	-	(268,468)	-	-	-	(268,468)	-	-	(268,468)
Net profit for the period	-	-	-	-	-	-	-	687,505	687,505	(44,401)	-	643,104
Total recognised income and expense for the period	-	-	-	-	(268,468)	(41,623)	-	687,505	377,414	(44,401)	-	333,013
Cash dividends paid to equity holders (Note 15)	-	-	-	-	-	-	-	(1,240,539)	(1,240,539)	-	-	(1,240,539)
Movement in non-controlling interests	-	-	-	-	-	-	-	-	-	25,061	-	25,061
Balance at 31 March 2020 (Reviewed)	2,362,932	6,370,016	2,380,093	81,935	(26,091)	(357,827)	216,820	5,242,003	16,269,881	1,006,966	4,000,000	21,276,847

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 Doha - Qatar

11 APR 2021

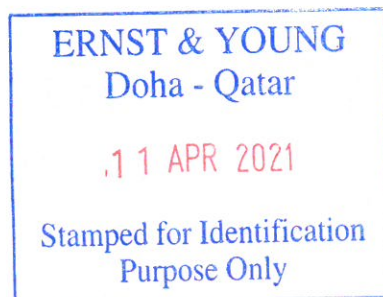
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Qatar Islamic Bank (Q.P.S.C)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months period ended 31 March 2021

	<i>For the three months period ended 31 March</i>	
	<i>2021 (Reviewed) QAR'000</i>	<i>2020 (Reviewed) QAR'000</i>
Cash flows from operating activities		
Net profit for the period before tax	761,495	645,301
Net changes in operating assets and liabilities	<u>(6,734,774)</u>	<u>1,556,231</u>
Net cash flows (used in) from operating activities	<u>(5,973,279)</u>	<u>2,201,532</u>
Cash flows from investing activities		
Net changes in investment securities	(216,161)	131,229
Net changes in fixed and intangible assets	(20,318)	(25,549)
Net changes in investment properties	(531)	-
Dividends received from associate companies	<u>7,000</u>	<u>7,000</u>
Net cash flows (used in) from investing activities	<u>(230,010)</u>	<u>112,680</u>
Cash flows from financing activities		
Change in equity of unrestricted investment account holders	7,194,099	(1,839,278)
Profit paid on sukuk eligible as additional capital	(205,000)	(205,000)
Net proceeds from sukuk issue	-	2,912,000
Net movement in non-controlling interests	(182,778)	25,061
Cash dividends paid to equity holders of the Bank	<u>(945,172)</u>	<u>(1,240,539)</u>
Net cash flows from (used in) financing activities	<u>5,861,149</u>	<u>(347,756)</u>
Net (decrease) increase in cash and cash equivalents	(342,140)	1,966,456
Cash and cash equivalents - beginning of the period	<u>10,078,149</u>	<u>6,210,268</u>
Cash and cash equivalents - end of the period (Note 16)	<u>9,736,009</u>	<u>8,176,724</u>

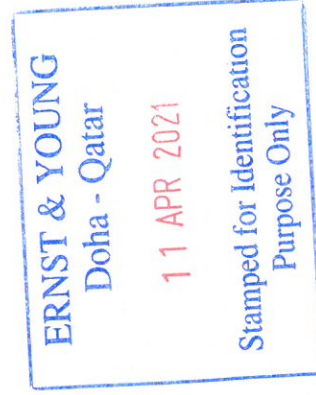


The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN RESTRICTED INVESTMENT ACCOUNTS
For the three months period ended 31 March 2021

Investment	Movements during the period					At 31 March 2021 (Reviewed)
	At 1 January 2021 (Audited)	Investments	Revaluation	Gross income QAR'000	Dividends paid	
Real Estate Portfolio	24,570	-	-	-	-	24,570
Equity Securities Portfolio	1,585,224	31,391	(20,577)	22,000	(4,947)	1,611,318
	1,609,794	31,391	(20,577)	22,000	(4,947)	1,635,888

Investment	Movements during the period					At 31 March 2020 (Reviewed)
	At 1 January 2020 (Audited)	Investments	Revaluation	Gross income QAR'000	Dividends paid	
Real Estate Portfolio	66,430	-	-	-	-	66,430
Equity Securities Portfolio	703,637	485,675	(79,271)	16,765	(1,802)	1,122,440
	770,067	485,675	(79,271)	16,765	(1,802)	1,188,870



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended 31 March 2021

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 three months periods ended 31 March 2021 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	
			31 March 2021	31 December 2020
Arab Finance House	Lebanon	Banking	99.99%	99.99%
Aqar Real Estate Development and Investment Company W.L.L.(“Aqar”)				
(i) Durat Al Doha Real Estate Investment and Development W.L.L. (ii)	Qatar	Investment in real estate	49%	49%
QIB Sukuk Ltd (iii)	Qatar	Investment in real estate	82.61%	82.61%
QIB (UK)	Cayman Island	Sukuk issuance	100%	100%
QInvest LLC (iv)	United Kingdom	Investment banking	99.71%	99.71%
	Qatar	Investment banking	64.68%	58.17%

Notes:

- i) The Bank has the power to cast 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) Effective from 1 January 2013, the Group has obtained control to govern the financial and operating policies of its previous associate through a management agreement with other shareholders of the Company. During 2020, the Bank acquired additional 42.74% from the other shareholders of the Company of which 16.2% was purchased from a related party.
- iii) 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.
- iv) In January 2021, Qinvest LLC bought back 61,212,590 shares at a price of US\$0.58 per share based on the tender offers received from the shareholders. The Treasury Shares were cancelled and the Issued Share Capital of Qinvest LLC was reduced by US\$ 61,212,590 representing 61,212,590 shares of US\$1 per share. Consequently the effective shareholding of the Bank in Qinvest LLC have increased to 64.68%. Related gain, net of transaction cost, was recognised in the interim consolidated statement of changes in equity.

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 31 March 2021

2 BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

The interim condensed consolidated financial statements as of and for the three months period ended 31 March 2020 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 2020. In addition, results for the three months periods ended 31 March 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

(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 2020.

(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 2020.

(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 2020, except as noted below:

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 32 - Ijarah**
AAOIFI has issued FAS 32 in 2019. FAS 32 improves upon and supersedes FAS 8 - Ijarah and Ijarah Muntahia Bittamleek originally issued in 1997. This standard aims at 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.
- **FAS 35 - Risk Reserves**
AAOIFI has issued FAS 35 in 2018. This standard along with FAS 30 - Impairment, credit losses and onerous commitments” supersede the earlier FAS 11 - Provisions and reserves. The objective of this standard is to establish the principles of accounting and financial reporting for risk reserves established to mitigate various risks faced by stakeholders, mainly the profit and loss taking investors, of Islamic financial institutions (IFIs/ the institutions).

2 BASIS OF PREPARATION (CONTINUED)

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

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. This standard shall be effective for the financial periods beginning on or after 1 January 2022 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.

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:

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the period ended 31 March 2021

3 OPERATING SEGMENTS (CONTINUED)
Information about operating segments

	<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>31 March 2021 (Reviewed)</i>					
External revenue:					
Total income from financing and investing activities	1,040,473	456,943	216,068	44,871	1,758,355
Net fee and commission income	64,195	52,113	44,377	54,522	215,207
Net foreign exchange gain	-	-	21,817	80,313	102,130
Share of results of associates	-	-	(3,286)	4,798	1,512
Other income	-	-	20,000	2,639	22,639
Total income	1,104,668	509,056	298,976	187,143	2,099,843
Sukuk holders' share of profit	-	-	(115,207)	-	(115,207)
Return to unrestricted investment account holders	(176,760)	(116,551)	(101,147)	(10,310)	(404,768)
Inter segment (cost) / revenue	(367,351)	122,360	244,991	-	-
Reportable segment net profit (loss) after tax	79,251	252,069	312,102	112,213	755,635
<i>31 March 2020 (Reviewed)</i>					
External revenue:					
Total income from financing and investing activities	1,225,728	355,471	161,685	(15,419)	1,727,465
Net fee and commission income	87,543	50,185	13,098	12,191	163,017
Net foreign exchange gain	-	-	8,407	18,840	27,247
Share of results of associates	-	-	(687)	2,449	1,762
Other income	-	-	18,679	6,020	24,699
Total income	1,313,271	405,656	201,182	24,081	1,944,190
Sukuk holders' share of profit	-	-	(110,346)	-	(110,346)
Return to unrestricted investment account holders	(345,551)	(140,675)	(140,449)	(14,361)	(641,036)
Inter segment (cost) revenue	(456,293)	141,531	314,762	-	-
Reportable segment net profit (loss) after tax	322,820	275,528	111,894	(67,138)	643,104

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>31 March 2021 (Reviewed)</i>					
Reportable segment assets	<u>111,644,407</u>	<u>21,731,715</u>	<u>41,615,423</u>	<u>5,223,770</u>	<u>180,215,315</u>
Reportable segment liabilities and equity of unrestricted investments account holders	<u>57,421,179</u>	<u>44,535,818</u>	<u>50,589,356</u>	<u>4,804,900</u>	<u>157,351,253</u>
<i>31 December 2020 (Audited)</i>					
Reportable segment assets	<u>105,439,086</u>	<u>21,320,480</u>	<u>42,450,007</u>	<u>5,146,602</u>	<u>174,356,175</u>
Reportable segment liabilities and equity of unrestricted investments account holders	<u>54,114,669</u>	<u>43,673,591</u>	<u>48,490,839</u>	<u>4,870,973</u>	<u>151,150,072</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
As at and for the period ended 31 March 2021

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>
	-----	-----	-----	-----	-----
<i>31 March 2021 (Reviewed)</i>					
Cash and balances with central banks	-	-	9,059,618	9,059,618	9,059,618
Due from banks	-	-	6,197,317	6,197,317	6,197,317
Financing assets	-	496,294	124,631,866	125,128,160	125,128,160
Investment securities					
- Equity type instruments	2,091,612	1,083,245	-	3,174,857	3,504,964
- Debt type instruments	-	330,107	30,008,615	30,338,722	29,785,531
Other assets	-	-	170,985	170,985	170,985
	2,091,612	1,909,646	170,068,401	174,069,659	173,846,565
Due to banks	-	-	12,768,593	12,768,593	12,768,593
Customers' current accounts	-	-	18,060,740	18,060,740	18,060,740
Sukuk financing	-	-	14,062,991	14,062,991	14,062,991
Other liabilities	-	-	4,536,542	4,536,542	4,536,542
Equity of unrestricted investment account holders	-	-	107,922,387	107,922,387	107,922,387
	-	-	157,351,253	157,351,253	157,351,253
	-----	-----	-----	-----	-----
	<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>
	-----	-----	-----	-----	-----
<i>31 December 2020 (Audited)</i>					
Cash and balances with central banks	-	-	8,357,282	8,357,282	8,357,282
Due from banks	-	-	6,913,258	6,913,258	6,913,258
Financing assets	-	512,275	118,560,157	119,072,432	119,072,432
Investment securities:					
- Equity type instruments	1,902,829	1,070,119	-	2,972,948	2,972,948
- Debt type instruments	-	221,784	30,053,377	30,275,161	30,095,137
Other assets	-	-	431,448	431,448	431,448
	1,902,829	1,804,178	164,315,522	168,022,529	167,842,505
Due to banks	-	-	13,827,746	13,827,746	13,827,746
Customers' current accounts	-	-	17,415,693	17,415,693	17,415,693
Sukuk financing	-	-	14,058,643	14,058,643	14,058,643
Other liabilities	-	-	5,119,702	5,119,702	5,119,702
Equity of unrestricted investment account holders	-	-	100,728,288	100,728,288	100,728,288
	-	-	151,150,072	151,150,072	151,150,072

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 2,796 million (31 December 2020: QAR 3,004 million) for which the fair value amounts to QAR 2,906 million (31 December 2020: QAR 3,117 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 31 March 2021 and 31 December 2020, the Group held the following financial instruments measured at fair value:

<i>31 March 2021 (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)	274,505	-	274,505	-
Investments securities				
Quoted equity-type investments classified FVTIS	152,605	152,605	-	-
Quoted debt-type investments classified as FVTIS	13,631	13,631	-	-
Unquoted debt-type investments classified as FVTIS	316,476	-	316,476	-
Unquoted equity-type investments classified as FVTIS	930,640	-	211,611	719,029
Quoted equity-type investments classified as FVTE	949,320	743,028	206,292	-
Unquoted equity-type investments classified as FVTE	1,142,293	-	843,489	298,804
Financing assets classified as FVTIS	496,294	-	-	496,294
Shari'a compliant risk management instruments (liabilities)	89,306	-	89,306	-

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

<i>31 December 2020 (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)	229,903	-	229,903	-
Investments securities				
Quoted equity-type investments classified as FVTIS	96,779	96,779	-	-
Quoted debt-type investments classified as FVTIS	17,770	17,770	-	-
Unquoted debt-type investments classified as FVTIS	204,014	-	204,014	-
Unquoted equity-type investments classified as FVTIS	973,340	-	229,153	744,187
Quoted equity-type investments classified as FVTE	761,835	761,835	-	-
Unquoted equity-type investments classified as FVTE	1,140,994	-	843,247	297,747
Financing assets classified as FVTIS	512,275	-	-	512,275
Shari'a compliant risk management instruments (liabilities)	198,199	-	198,199	-

FVTIS – Fair value through income statement

FVTE – Fair value through equity

Transfers within the fair value hierarchy

During the period ended 31 March 2021 and year ended 31 December 2020, 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 2020, however, significant unobservable inputs of 31 December 2020 were adjusted appropriately for the effects of COVID 19 as disclosed in note 21 to these interim condensed consolidated financial statements.

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</i>			<i>At 31 March</i>
	<i>1 January</i>	<i>in consolidated</i>	<i>Purchases</i>	<i>Sales /</i>	<i>2021</i>
	<i>2021</i>	<i>income statement /</i>		<i>transfers</i>	<i>2021</i>
	<i>(Audited)</i>	<i>equity</i>			<i>(Reviewed)</i>
	<i>QAR'000</i>				
Equity investments:					
at fair value through equity	297,747	732	1,528	(1,203)	298,804
at fair value through income statement	744,187	76	4,582	(29,816)	719,029
Financing assets classified as FVTIS	512,275	(16,791)	810	-	496,294
	1,554,209	(15,983)	6,920	(31,019)	1,514,127

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

	<i>At 1 January 2020 (Audited)</i>	<i>Total (loss) / gain recorded in consolidated income statement / equity</i>	<i>Purchases</i>	<i>Sales/ transfers</i>	<i>At 31 December 2020 (Audited)</i>
	----- QAR'000 -----				
Equity investments:					
at fair value through equity	394,277	(21,673)	22,404	(97,261)	297,747
at fair value through income statement	883,689	(9,818)	183,037	(312,721)	744,187
Financing assets classified as FVTIS	513,444	(1,169)	-	-	512,275
	<u>1,791,410</u>	<u>(32,660)</u>	<u>205,441</u>	<u>(409,982)</u>	<u>1,554,209</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. Until the date of the circular the Group has provided QAR Nil million (31 March 2020: QAR 21.4 million) as impairment on equity-type investment securities which were recognised under "Net impairment reversals / (losses) on investment securities" in the interim consolidated income statement.

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. Losses are recognised in interim consolidated income statement and reflected in an allowance account. The Group has provided QAR 557.5 million (31 March 2020: QAR 218.9 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 0.5 million (31 March 2020: reversals of QAR 1.3 million) on investment securities which was recognised under "Net impairment reversals / (losses) on investment securities" in the interim consolidated income statement as disclosed in note 21 to these interim condensed consolidated financial statements.

6 FINANCING ASSETS

	<i>31 March 2021 (Reviewed) QAR'000</i>	<i>31 December 2020 (Audited) QAR'000</i>	<i>31 March 2020 (Reviewed) QAR'000</i>
Total financing assets	137,321,987	130,819,269	124,861,715
Less: Deferred profit	(8,103,387)	(7,773,643)	(7,910,839)
Expected credit losses on financing assets - performing (Stage 1 and 2) *	(2,358,028)	(2,355,383)	(1,387,700)
Allowance for impairment on financing assets – credit impaired (Stage 3) *	(1,672,046)	(1,545,715)	(1,506,096)
Suspended profit	(60,366)	(72,096)	(69,752)
Net financing assets	<u>125,128,160</u>	<u>119,072,432</u>	<u>113,987,328</u>

Note:

Net financing assets include hybrid instruments amounting to QAR 496 million designated as fair value through income statement ('FVTIS') (31 December 2020: QAR 512 million) which are not subject to impairment assessment.

The impaired financing assets net of deferred profit amounted to QAR 1,877 million as at 31 March 2021 representing 1.5% of the total financing assets net of deferred profit (31 December 2020: QAR 1,752 million, representing 1.4% of the total financing assets net of deferred profit).

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the period ended 31 March 2021

7 INVESTMENT SECURITIES

	<i>31 March 2021 (Reviewed)</i>			<i>31 December 2020 (Audited)</i>			<i>31 March 2020 (Reviewed)</i>		
	<i>Quoted QAR'000</i>	<i>Unquoted QAR'000</i>	<i>Total QAR'000</i>	<i>Quoted QAR'000</i>	<i>Unquoted QAR'000</i>	<i>Total QAR'000</i>	<i>Quoted QAR'000</i>	<i>Unquoted QAR'000</i>	<i>Total QAR'000</i>
<i>Investments classified as fair value through income statement</i>									
• equity-type investments	152,605	930,640	1,083,245	96,779	973,340	1,070,119	46,286	1,159,978	1,206,264
• debt-type investments									
- Fixed rate	13,631	316,476	330,107	17,770	204,014	221,784	19,813	1,673	21,486
- Floating rate	-	-	-	-	-	-	-	36,314	36,314
	166,236	1,247,116	1,413,352	114,549	1,177,354	1,291,903	66,099	1,197,965	1,264,064
<i>Debt-type investments classified at amortised cost</i>									
- State of Qatar Sukuk and QCB Murabaha	2,056,269	27,190,886	29,247,155	2,074,208	27,122,734	29,196,942	2,029,726	27,699,437	29,729,163
- Fixed rate	758,880	102,141	861,021	742,797	141,138	883,935	781,425	361,696	1,143,121
- Floating rate	-	-	-	-	72,545	72,545	-	54,600	54,600
Less: allowance for impairment*	(1,430)	(98,132)	(99,562)	(1,919)	(98,126)	(100,045)	(3,988)	(94,938)	(98,926)
	2,813,719	27,194,895	30,008,614	2,815,086	27,238,291	30,053,377	2,807,163	28,020,795	30,827,958
<i>Equity-type investments classified as fair value through equity</i>									
	949,320	1,142,293	2,091,613	761,835	1,140,994	1,902,829	367,417	552,728	920,145
	3,929,275	29,584,304	33,513,579	3,691,470	29,556,639	33,248,109	3,240,679	29,771,488	33,012,167

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 As at and for the period ended 31 March 2021

8 EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS

	<i>31 March 2021 (Reviewed) QAR'000</i>	<i>31 December 2020 (Audited) QAR'000</i>	<i>31 March 2020 (Reviewed) QAR'000</i>
Term accounts	83,012,945	78,813,358	74,479,826
Saving accounts	19,502,737	18,392,513	16,034,085
Call accounts	5,319,931	3,440,044	4,186,332
	107,835,613	100,645,915	94,700,243
Share in fair value reserve	86,774	82,373	101,954
Total	107,922,387	100,728,288	94,802,197

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 2020: QAR 56.4 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 31 March</i>	
	<i>2021 (Reviewed)</i>	<i>2020 (Reviewed)</i>
Profit for the period attributable to equity holders of the Bank (QAR'000)	750,030	687,505
Weighted average number of shares outstanding during the period (QAR'000)	2,362,932	2,362,932
Basic and diluted earnings per share (QAR)	0.32	0.29

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 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 As at and for the period ended 31 March 2021

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 other comprehensive income.

14 SUKUK ELIGIBLE AS ADDITIONAL CAPITAL

The Group issued a perpetual sukuk eligible as additional tier 1 capital for an amount of QAR 2 billion in the year 2015. 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. 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 QAR 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 40% cash dividends of (QAR 0.4 per share) amounting to QAR 945 million for the year ended 31 December 2020 in the general assembly meeting held on 22 February 2021.

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>31 March 2021 (Reviewed) QAR'000</i>	<i>31 December 2020 (Audited) QAR'000</i>	<i>31 March 2020 (Reviewed) QAR'000</i>
Cash and balances with central banks (excluding restricted QCB and other central banks reserve account)	3,839,808	3,164,891	6,389,512
Due from banks	5,896,201	6,913,258	1,787,212
Total	9,736,009	10,078,149	8,176,724

17 CONTINGENT LIABILITIES AND COMMITMENTS

	<i>31 March 2021 (Reviewed) QAR'000</i>	<i>31 December 2020 (Audited) QAR'000</i>	<i>31 March 2020 (Reviewed) QAR'000</i>
a) Contingent liabilities			
Unused financing facilities	6,334,785	7,027,307	5,309,485
Guarantees	10,538,474	10,744,022	10,270,360
Letters of credit	5,528,887	5,901,094	5,216,218
	22,402,146	23,672,423	20,796,063
b) Commitments			
Investment commitment	116,080	80,380	35,095
Total	22,518,226	23,752,803	20,831,158

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 As at and for the period ended 31 March 2021

17 CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)
Lease commitments

Operating lease rentals are payable as follows:

	<i>31 March 2021 (Reviewed) QAR'000</i>	<i>31 December 2020 (Audited) QAR'000</i>	<i>31 March 2020 (Reviewed) QAR'000</i>
Less than one year	12,457	8,379	14,082
After one year but not more than five years	40,143	38,374	30,448
More than five years	801	815	-
	<u>53,401</u>	<u>47,568</u>	<u>44,530</u>

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:

	<i>31 March 2021 (Reviewed)</i>		<i>31 December 2020 (Audited)</i>	
	<i>Associated companies QAR'000</i>	<i>Board of Directors QAR'000</i>	<i>Associated companies QAR'000</i>	<i>Board of Directors QAR'000</i>
Assets:				
Financing assets	3,401,466	5,056,450	3,427,027	5,001,546
Equity of unrestricted investment account holders	392,116	1,803,635	376,860	2,074,315
Off balance sheet items:				
Contingent liabilities, guarantees and other commitments	133,395	369,361	125,463	493,470
	<i>31 March 2021 (Reviewed)</i>		<i>31 March 2020 (Reviewed)</i>	
	<i>Associated companies QAR'000</i>	<i>Board of Directors QAR'000</i>	<i>Associated companies QAR'000</i>	<i>Board of Directors QAR'000</i>
Consolidated statement of income items:				
Income from financing activities	42,330	56,497	1,168	48,993
Profit paid on deposits	644	8,624	198	3,941
Fee and commission	272	2,936	268	4,689

Key management personnel compensation for the period comprised:

	<i>31 March 2021 (Reviewed) QAR'000</i>	<i>31 March 2020 (Reviewed) QAR'000</i>
Key management remuneration	<u>20,516</u>	<u>21,022</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 As at and for the period ended 31 March 2021

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 14.5% for 2020.

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>31 March 2021 QAR'000 (Reviewed)</i>	<i>31 December 2020 QAR'000 (Audited)</i>	<i>31 March 2020 QAR'000 (Reviewed)</i>
Common Equity Tier 1 (CET 1) Capital	17,847,044	18,090,588	15,743,889
Additional Tier 1 Capital	4,000,000	4,000,000	4,000,000
Other Tier 1 capital	49,313	49,929	37,913
Tier 2 capital	1,453,652	1,442,060	1,317,813
Total eligible capital	23,350,009	23,582,577	21,099,615
Risk weighted assets	122,666,233	121,581,711	111,810,535
Common equity tier 1 (CET 1) capital adequacy ratio	14.5%	14.9%	14.1%
QCB minimum	9.5%	9.5%	9.5%
Total capital adequacy ratio	19.0%	19.4%	18.9%
QCB minimum including ICAAP pillar II capital charge	14.5%	14.5%	14.5%

20 FINANCIAL RISK MANAGEMENT
Exposure and movement of expected credit loss / impairment allowances

	31 March 2021			Total	31 December
	Stage 1	Stage 2	Stage 3		2020
	----- QAR'000 -----				
Exposures subject to expected credit losses					
Due from central banks	7,529,549	-	326,986	7,856,535	6,589,395
Due from banks	5,738,931	467,068	20,647	6,226,646	6,934,466
Debt type investments carried at amortised cost	29,898,342	107,777	102,057	30,108,176	30,153,422
Financing assets*	108,681,539	18,567,395	1,816,379	129,065,313	122,973,530
Off balance sheet exposures subject to credit risk	15,271,339	538,610	142,671	15,952,620	23,672,423
	167,119,700	19,680,850	2,408,740	189,209,290	190,323,236
					31 March
					2020
Opening balance of expected credit losses / impairment losses as at 1 January					
Due from central banks	-	-	218,000	218,000	-
Due from banks	561	-	20,647	21,208	20,692
Debt type investments carried at amortised cost	253	1,666	98,126	100,045	100,227
Financing assets	1,666,290	689,093	1,545,715	3,901,098	2,698,686
Off balance sheet exposures subject to credit risk	14,346	2,829	33,349	50,524	85,890
	1,681,450	693,588	1,915,837	4,290,875	2,905,495
Net transfer between stages					
Due from central banks	-	-	-	-	-
Due from banks	-	-	-	-	-
Debt type investments carried at amortised cost	-	-	-	-	-
Financing assets	(1,419)	(81,728)	83,147	-	-
Off balance sheet exposures subject to credit risk	-	-	-	-	-
	(1,419)	(81,728)	83,147	-	-
Write off / transfers for the period					
Due from central banks	-	-	-	-	-
Due from banks	-	-	-	-	-
Debt type investments carried at amortised cost	-	-	-	-	-
Financing assets	(3,302)	(158)	(425,086)	(428,546)	(23,834)
Off balance sheet exposures subject to credit risk	-	-	-	-	-
	(3,302)	(158)	(425,086)	(428,546)	(23,834)
Charge / (reversal) for the period (net) including foreign currency translation					
Due from central banks	-	-	-	-	-
Due from banks	653	28	-	681	174
Debt type investments carried at amortised cost	(16)	(467)	-	(483)	(1,301)
Financing assets	115,856	(26,604)	468,270	557,522	218,944
Off balance sheet exposures subject to credit risk	(3,945)	(1,542)	(2,478)	(7,965)	14,995
	112,548	(28,585)	465,792	549,755	232,812
Closing balance of expected credit losses / impairment losses - as at 31 March (Reviewed)					
Due from central banks	-	-	218,000	218,000	-
Due from banks	1,214	28	20,647	21,889	20,866
Debt type investments carried at amortised cost	237	1,199	98,126	99,562	98,926
Financing assets	1,777,425	580,603	1,672,046	4,030,074	2,893,796
Off balance sheet exposures subject to credit risk	10,401	1,287	30,871	42,559	100,885
	1,789,277	583,117	2,039,690	4,412,084	3,114,473

*net of suspended profit

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 31 March 2021.

<i>Rating grade</i>	<i>Due from central banks</i>	<i>Due from banks</i>	<i>Debt type investments carried at amortised cost</i>	<i>Financing assets</i>	<i>Off balance sheet exposures subject to credit risk</i>	<i>Total</i>
	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>
AAA to AA-	7,486,664	1,142,597	29,492,906	29,230,595	3,336,785	70,689,547
A+ to A-	-	4,393,168	217,254	2,814,434	254,914	7,679,770
BBB to BBB-	-	5,585	32,824	75,461,994	9,408,465	84,908,868
BB+ to B-	-	304,366	137,040	14,632,181	2,846,957	17,920,544
Unrated	369,871	380,930	228,152	6,926,109	105,499	8,010,561
Total	7,856,535	6,226,646	30,108,176	129,065,313	15,952,620	189,209,290

21 IMPACT OF COVID 19

The coronavirus ("COVID-19") pandemic has spread across various geographies globally, causing disruption to business and economic activities. COVID-19 has brought about uncertainties in the global economic environment. The fiscal and monetary authorities, both domestic and international, have announced various support measures across the globe to counter possible adverse implications.

QIB Group is closely monitoring the situation and has activated its business continuity planning and other risk management practices to manage the potential business disruption the COVID-19 outbreak may have on its operations and financial performance. In addition, QIB Group's operations are concentrated in economies that are relatively dependent on the price of crude oil. During the financial reporting period, oil prices have witnessed unprecedented volatility.

The Bank has performed an assessment of COVID-19 in light of the available guidance of the FAS, QCB and IFRS which has resulted in the following changes to the expected credit loss methodology and valuation estimates and judgements as at and for the period ended 31 March 2021:

i. Expected credit losses

The uncertainties caused by COVID-19, and the volatility in oil prices have required the Group to update the inputs and assumptions used for the determination of expected credit losses ("ECLs") as at 31 March 2021. ECLs were estimated based on a range of forecast economic conditions as at that date and considering that the situation is fast evolving, the Group has considered the impact of higher volatility in the forward-looking macro-economic factors, when determining the severity and likelihood of economic scenarios for ECL determination.

The Group has re-assessed the association of the macro-economic variables with its own default experience as a part of its endeavor towards ongoing improvement of the ECL models and analysis of the impact of Covid 19. The macro-economic variables for incorporation of forward looking factor in ECL were identified based on their level and direction of association with Bank's own default experience over period of last 6 years and asset quality ratio of Qatar' Banking sector over a period of last 19 years. The forward-looking factor (here Credit Index or CI) used is determined from the observed historical macro-economic factors. The credit index is used to forecast expected point-in-time probability of defaults for the credit portfolio of the Bank. Interdependency exists between the CI and macro-economic factors as applicable, which for Qatar includes i) yearly average oil price of \$ 45/ barrel, \$ 53.8 / barrel ii) Private sector credit concentration of 62.2%, 63.7% iii) % change in volume of exports -3 %, 0% for the financial year 2020 and 2021 respectively (31 December 2020: Oil price 2020: \$ 62.0/barrel, 2021: \$ 63.75/ barrel and GDP 2020: -1.58%, 2021: 3%). The ECL has been calculated as probability weighted figure for three scenarios i.e. Baseline, Further Downside and Improved with 65%, 35% and 0% weightings respectively (31 December 2020: 65% to the Baseline, 35% to Downside and 0% Improved Case). The situation is fast evolving and accordingly any downside scenarios will be reassessed if adverse conditions continue.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
As at and for the period ended 31 March 2021**21 IMPACT OF COVID 19 (CONTINUED)****i. Expected credit losses (continued)**

In addition to the assumptions outlined above, QIB Group has given specific consideration to the relevant impact of COVID-19 on the qualitative and quantitative factors when determining the significant increase in credit risk and assessing the indicators of impairment for the exposures in potentially affected sectors. This has resulted in staging downgrade of certain exposures and recognition of relevant ECLs and impairment allowances as disclosed in note 20 to the interim condensed consolidated financial statements.

ii. Valuation estimates and judgements

QIB Group has also considered potential impacts of the current economic volatility in determination of the reported amounts of the Group's financial and non-financial assets and these are considered to represent management's best assessment based on available or observable information. Markets however remain volatile and the recorded amounts remain sensitive to market fluctuations.

iii. Accounting for modified financing assets

Considering the economic circumstances post the COVID-19 outbreak, the QCB has encouraged banks in Qatar to delay repayments for affected sectors, via a circular issued on 22 March 2020, pursuant to which QIB has delayed repayments of certain SME and Corporate customers for a period of three months. In line with the requirements of the FAS, the Bank will amortize the remaining amount of the deferred profit over the remaining period of the financing facilities.

iv. Accounting for zero rate repo facility

QCB has advised banks to extend new financing to affected sectors at reduced rates, which is to be supported by zero-cost repo facilities from QCB, and extended guarantees from the government of the State of Qatar to local banks to support these affected sectors. The benefit arising out of the zero rate repos was not considered to be material for the period.