

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

**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS**

**30 September 2019**

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
30 September 2019

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

### **Introduction**

We have reviewed the accompanying 30 September 2019 condensed consolidated interim financial statements of Qatar Islamic Bank (Q.P.S.C) (the "Bank") and its subsidiaries (together referred to as the "Group"), which comprise:

- the condensed consolidated statement of financial position as at 30 September 2019;
- the condensed consolidated income statement for the three and nine month periods ended 30 September 2019;
- the condensed consolidated statement of changes in equity for the nine month period ended 30 September 2019;
- the condensed consolidated statement of changes in restricted investment accounts for the nine month period ended 30 September 2019;
- the condensed consolidated statement of cash flows for the nine month period ended 30 September 2019; and
- notes to the condensed consolidated interim financial statements.

The Board of Directors of the Bank is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI") and the applicable provisions of the Qatar Central Bank regulations. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2019 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with Financial Accounting Standards issued by AAOIFI and the applicable provisions of the Qatar Central Bank regulations.

16 October 2019  
Doha  
State of Qatar



Gopal Balasubramaniam  
Qatar Auditor's Registry Number 251  
KPMG

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## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2019

|  |              | <i>30 September<br/>2019<br/>(Reviewed)<br/>QAR'000</i> | <i>31 December<br/>2018<br/>(Audited)<br/>QAR'000</i> | <i>30 September<br/>2018<br/>(Reviewed)<br/>QAR'000</i> |
|--|--------------|---|---|---|
|  | <i>Notes</i> |   |   |   |
| <b>Assets</b>  |              |   |   |   |
| Cash and balances with central banks   |              | 5,904,133   | 7,298,914   | 6,235,500   |
| Due from banks   |              | 3,685,771   | 6,424,153   | 2,749,414   |
| Financing assets   | 6            | 107,046,372   | 102,209,930   | 106,378,019   |
| Investment securities  | 7            | 32,706,894  | 31,473,601  | 31,116,430  |
| Investment in associates   |              | 565,801   | 568,392   | 571,967   |
| Investment properties  |              | 1,981,823   | 1,231,107   | 1,311,822   |
| Fixed assets   |              | 452,187   | 479,468   | 484,992   |
| Intangible assets  |              | 400,860   | 385,740   | 390,842   |
| Other assets   |              | 2,139,210   | 3,161,060   | 3,270,117   |
| <b>Total assets</b>  |              | <b>154,883,051</b>                                      | <b>153,232,365</b>                                    | <b>152,509,103</b>                                      |
| <b>Liabilities, equity of unrestricted investment account holders and equity</b>       |              |   |   |   |
| <b>Liabilities</b>   |              |   |   |   |
| Due to banks   |              | 11,782,871  | 17,233,968  | 15,660,373  |
| Customers' current accounts  |              | 15,135,258  | 15,420,808  | 15,161,981  |
| Sukuk financing  |              | 10,947,817  | 9,189,047   | 8,491,104   |
| Other liabilities  |              | 3,843,728   | 5,471,990   | 4,810,661   |
| <b>Total liabilities</b>   |              | <b>41,709,674</b>                                       | <b>47,315,813</b>                                     | <b>44,124,119</b>                                       |
| <b>Equity of unrestricted investment account holders</b>                               | 8            | <b>91,510,822</b>                                       | <b>85,177,175</b>                                     | <b>87,713,926</b>                                       |
| <b>Equity</b>  |              |   |   |   |
| 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           | 2,318,875   | 2,318,875   | 2,263,736   |
| General reserve  | 11           | 81,935  | 81,935  | 81,935  |
| Fair value reserve   |              | 75,311  | 154,458   | 240,210   |
| Foreign currency translation reserve   | 13           | (332,517)   | (348,424)   | (258,753)   |
| Other reserves   |              | 216,820   | 216,820   | 216,820   |
| Share-based payment reserve  |              | -   | -   | 9,310   |
| Retained earnings  |              | 5,297,575   | 4,263,684   | 3,842,720   |
| <b>Total equity attributable to equity holders of the bank</b>                         |              | <b>16,390,947</b>                                       | <b>15,420,296</b>                                     | <b>15,128,926</b>                                       |
| Non-controlling interests  |              | 1,271,608   | 1,319,081   | 1,542,132   |
| Sukuk eligible as additional capital   | 14           | 4,000,000   | 4,000,000   | 4,000,000   |
| <b>Total equity</b>  |              | <b>21,662,555</b>                                       | <b>20,739,377</b>                                     | <b>20,671,058</b>                                       |
| <b>Total liabilities, equity of unrestricted investment account holders and equity</b> |              | <b>154,883,051</b>                                      | <b>153,232,365</b>                                    | <b>152,509,103</b>                                      |

These condensed consolidated interim financial statements were approved by the Board of Directors on 16 October 2019 and were signed on its behalf by:



Jassim Bin Hamad Bin Jassim Bin Jabor Al Thani  
Chairman



Bassel Hamad  
Group Chief Executive Officer

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

## CONDENSED CONSOLIDATED INCOME STATEMENT

For the three and nine month periods ended 30 September 2019

| Note  | For the three month period<br>ended 30 September |                       | For the nine month period<br>ended 30 September |                       |
|---|--|-----------------------|---|-----------------------|
|   | 2019   | 2018                  | 2019  | 2018                  |
|   | (Reviewed)<br>QAR'000                            | (Reviewed)<br>QAR'000 | (Reviewed)<br>QAR'000                           | (Reviewed)<br>QAR'000 |
| Net income from financing activities  | 1,462,231  | 1,344,438             | 4,350,134                                       | 3,931,732             |
| Net income from investing activities  | 269,471  | 206,556               | 763,584   | 596,351               |
| <b>Total income from financing and investing activities, net</b>                                  | <b>1,731,702</b>                                 | <b>1,550,994</b>      | <b>5,113,718</b>                                | <b>4,528,083</b>      |
| Fee and commission income   | 240,033  | 173,586               | 618,726   | 532,121               |
| Fee and commission expense  | (47,685)   | (41,228)              | (129,871)                                       | (118,205)             |
| <b>Net fee and commission income</b>  | <b>192,348</b>                                   | <b>132,358</b>        | <b>488,855</b>                                  | <b>413,916</b>        |
| Net foreign exchange gain   | 13,308   | 44,592                | 47,640  | 150,980               |
| Net share of results of associates  | 4,606  | 5,439                 | 7,991   | (3,364)               |
| Other income  | 33,828   | 6,777                 | 52,356  | 18,232                |
| <b>Total income</b>   | <b>1,975,792</b>                                 | <b>1,740,160</b>      | <b>5,710,560</b>                                | <b>5,107,847</b>      |
| Staff costs   | (161,469)  | (161,581)             | (473,127)                                       | (482,706)             |
| Depreciation and amortisation   | (20,997)   | (22,146)              | (61,856)  | (68,435)              |
| Sukuk holders' share of profit  | (98,760)   | (67,283)              | (278,938)                                       | (180,317)             |
| Other expenses  | (100,593)  | (99,372)              | (292,834)                                       | (309,178)             |
| <b>Total expenses</b>   | <b>(381,819)</b>                                 | <b>(350,382)</b>      | <b>(1,106,755)</b>                              | <b>(1,040,636)</b>    |
| Net impairment losses on investment securities  | (1,507)  | (59,146)              | (87,608)  | (181,451)             |
| Net impairment losses on financing assets   | (149,122)  | (101,146)             | (446,853)                                       | (367,493)             |
| Other impairment (losses) / reversals   | (11,385)   | (9,231)               | (21,875)  | 2,349                 |
| <b>Net profit for the period before tax and return to unrestricted investment account holders</b> | <b>1,431,959</b>                                 | <b>1,220,255</b>      | <b>4,047,469</b>                                | <b>3,520,616</b>      |
| Less: return to unrestricted investment account holders   | (647,742)  | (547,603)             | (1,888,305)                                     | (1,547,624)           |
| <b>Net profit for the period before tax</b>   | <b>784,217</b>                                   | <b>672,652</b>        | <b>2,159,164</b>                                | <b>1,972,992</b>      |
| Tax expense   | (4,608)  | (5,464)               | (3,719)   | (14,746)              |
| <b>Net profit for the period</b>  | <b>779,609</b>                                   | <b>667,188</b>        | <b>2,155,445</b>                                | <b>1,958,246</b>      |
| <b>Net profit / (loss) for the period attributable to:</b>  |  |                       |   |                       |
| Equity holders of the Bank  | 790,048  | 679,994               | 2,215,357                                       | 2,005,325             |
| Non-controlling interests   | (10,439)   | (12,806)              | (59,912)  | (47,079)              |
| <b>Net profit for the period</b>  | <b>779,609</b>                                   | <b>667,188</b>        | <b>2,155,445</b>                                | <b>1,958,246</b>      |
| <b>Earnings per share</b>   |  |                       |   |                       |
| Basic / diluted earnings per share (QAR per share)  | 12   | 0.33                  | 0.29  | 0.94                  |

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

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the nine month period ended 30 September 2019

|   | <i>Share capital</i> | <i>Legal reserve</i> | <i>Risk reserve</i> | <i>General reserve</i> | <i>Fair value reserve</i> | <i>Foreign currency translation reserve</i> | <i>Other reserves</i> | <i>Retained earnings</i> | <i>Total equity attributable to equity holders of the Bank</i> | <i>Non-controlling interests</i> | <i>Sukuk eligible as additional capital</i> | <i>Total equity</i> |
|---|----------------------|----------------------|---------------------|------------------------|---------------------------|---|-----------------------|--------------------------|--|----------------------------------|---|---------------------|
|   | ----- QAR'000 -----  |                      |                     |                        |                           |   |                       |                          |  |                                  |   |                     |
| <b>Balance at 31 December 2018</b><br><i>(Audited)</i>    | 2,362,932            | 6,370,016            | 2,318,875           | 81,935                 | 154,458                   | (348,424)                                   | 216,820               | 4,263,684                | 15,420,296   | 1,319,081                        | 4,000,000                                   | 20,739,377          |
| Foreign currency translation reserve movement             | -                    | -                    | -                   | -                      | -                         | 15,907                                      | -                     | -                        | 15,907   | -                                | -   | 15,907              |
| Fair value reserve movement                               | -                    | -                    | -                   | -                      | (79,147)                  | -   | -                     | -                        | (79,147)   | -                                | -   | (79,147)            |
| Net profit / (loss) for the period                        | -                    | -                    | -                   | -                      | -                         | -   | -                     | 2,215,357                | 2,215,357  | (59,912)                         | -   | 2,155,445           |
| <b>Total recognised income and expense for the period</b> | -                    | -                    | -                   | -                      | (79,147)                  | 15,907                                      | -                     | 2,215,357                | 2,152,117  | (59,912)                         | -   | 2,092,205           |
| Cash dividends paid to equity holders (Note 15)           | -                    | -                    | -                   | -                      | -                         | -   | -                     | (1,181,466)              | (1,181,466)  | -                                | -   | (1,181,466)         |
| Movement in non-controlling interests                     | -                    | -                    | -                   | -                      | -                         | -   | -                     | -                        | -  | 12,439                           | -   | 12,439              |
| <b>Balance at 30 September 2019</b><br><i>(Reviewed)</i>  | 2,362,932            | 6,370,016            | 2,318,875           | 81,935                 | 75,311                    | (332,517)                                   | 216,820               | 5,297,575                | 16,390,947   | 1,271,608                        | 4,000,000                                   | 21,662,555          |

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

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)**

For the nine month period ended 30 September 2019

|   | Share capital        | Legal reserve | Risk reserve | General reserve | Fair value reserve | Foreign currency translation reserve | Other reserves | Share - based payment reserve | 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 31 December 2017 (Audited)                               | 2,362,932            | 6,370,016     | 2,263,736    | 81,935          | 170,173            | (137,224)                            | 216,820        | 11,185                        | 3,949,613         | 15,289,186  | 1,590,979                 | 4,000,000                            | 20,880,165   |
| Transition adjustment on early adoption of FAS 30 at 1 January 2018 | -                    | -             | -            | -               | -                  | -                                    | -              | -                             | (930,752)         | (930,752)   | (46,266)                  | -                                    | (977,018)    |
| Restated balance at 1 January 2018                                  | 2,362,932            | 6,370,016     | 2,263,736    | 81,935          | 170,173            | (137,224)                            | 216,820        | 11,185                        | 3,018,861         | 14,358,434  | 1,544,713                 | 4,000,000                            | 19,903,147   |
| Foreign currency translation reserve movement                       | -                    | -             | -            | -               | -                  | (121,529)                            | -              | -                             | -                 | (121,529)   | -                         | -                                    | (121,529)    |
| Fair value reserve movement   | -                    | -             | -            | -               | 70,037             | -                                    | -              | -                             | -                 | 70,037  | -                         | -                                    | 70,037       |
| Net profit / (loss) for the period                                  | -                    | -             | -            | -               | -                  | -                                    | -              | -                             | 2,005,325         | 2,005,325   | (47,079)                  | -                                    | 1,958,246    |
| Total recognised income and expense for the period                  | -                    | -             | -            | -               | 70,037             | (121,529)                            | -              | -                             | 2,005,325         | 1,953,833   | (47,079)                  | -                                    | 1,906,754    |
| Cash dividends paid to equity holders (Note 15)                     | -                    | -             | -            | -               | -                  | -                                    | -              | -                             | (1,181,466)       | (1,181,466)   | -                         | -                                    | (1,181,466)  |
| Share-based payment   | -                    | -             | -            | -               | -                  | -                                    | -              | (1,875)                       | -                 | (1,875)   | (1,865)                   | -                                    | (3,740)      |
| Movement in non-controlling interests                               | -                    | -             | -            | -               | -                  | -                                    | -              | -                             | -                 | -   | 46,363                    | -                                    | 46,363       |
| Balance at 30 September 2018 (Reviewed)                             | 2,362,932            | 6,370,016     | 2,263,736    | 81,935          | 240,210            | (258,753)                            | 216,820        | 9,310                         | 3,842,720         | 15,128,926  | 1,542,132                 | 4,000,000                            | 20,671,058   |

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



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine month period ended 30 September 2019

|  | <i>For the nine month period<br/>ended<br/>30 September</i> |  |
|--|---|--|
|  | <i>2019<br/>(Reviewed)<br/>QAR'000</i>                      | <i>2018<br/>(Reviewed)<br/>QAR'000</i> |
| <b>Cash flows from operating activities</b>                    |   |  |
| Net profit for the period before tax                           | <b>2,159,164</b>  | 1,972,992                              |
| Net changes in operating assets and liabilities                | <b>(13,126,739)</b>   | (6,160,843)                            |
| <b>Net cash flows used in operating activities</b>             | <b>(10,967,575)</b>   | (4,187,851)                            |
| <b>Cash flows from investing activities</b>                    |   |  |
| Net changes in investment securities                           | <b>(829,176)</b>  | (292,501)                              |
| Net changes in fixed and intangible assets                     | <b>(74,563)</b>   | (34,876)                               |
| Net changes in investment properties                           | -   | 475,000                                |
| Dividends received from associate companies                    | <b>7,000</b>  | 8,838                                  |
| <b>Net cash flows (used in) / from investing activities</b>    | <b>(896,739)</b>  | 156,461                                |
| <b>Cash flows from financing activities</b>                    |   |  |
| Change in equity of unrestricted investment account holders    | <b>6,333,646</b>  | 2,499,455                              |
| Profit paid on sukuk eligible as additional capital            | <b>(205,000)</b>  | (205,000)                              |
| Net proceeds from sukuk issue                                  | <b>1,817,898</b>  | 1,363,180                              |
| Net movement in non-controlling interests                      | <b>12,439</b>   | 249                                    |
| Cash dividends paid to equity holders of the Bank              | <b>(1,181,466)</b>  | (1,181,466)                            |
| <b>Net cash flows from financing activities</b>                | <b>6,777,517</b>  | 2,476,418                              |
| <b>Net decrease in cash and cash equivalents</b>               | <b>(5,086,797)</b>  | (1,554,972)                            |
| Cash and cash equivalents - beginning of the period            | <b>9,087,614</b>  | 5,629,501                              |
| <b>Cash and cash equivalents - end of the period (Note 16)</b> | <b>4,000,817</b>  | 4,074,529                              |

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
 As at and for the period ended 30 September 2019

**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 condensed consolidated interim financial statements of the Bank for the three and nine month periods ended 30 September 2019 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 31 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 condensed consolidated interim financial statements include the financial statements of the Bank and its following subsidiaries and special purpose entities after elimination of intercompany balances and transactions:

|  | Country of Incorporation | Principal Business Activity   | Effective percentage of ownership |                  |
|--|--------------------------|-------------------------------|-----------------------------------|------------------|
|  |                          |                               | 30 September 2019                 | 31 December 2018 |
| 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. (ii)       | Qatar                    | Investment in real estate     | 39.87%                            | 39.87%           |
| QIB Sukuk Ltd (iii)  | Cayman Island            | Sukuk issuance                | 100%                              | 100%             |
| QIB Sukuk Funding Limited  | Qatar                    | Financing company             | 100%                              | 100%             |
| QIB (UK)   | United Kingdom           | Investment banking            | 99.71%                            | 99.71%           |
| QInvest LLC  | Qatar                    | Investment banking            | 50.13%                            | 50.13%           |
| Verdi Luxembourg SARL (iv)   | Luxembourg               | Investment in real estate     | 50.13%                            | 50.13%           |
| Q Business Services (iv)   | Cayman Island            | Investment holding company    | 50.13%                            | 50.13%           |
| Q Liquidity Limited (iv)   | Cayman Island            | Placements                    | 50.13%                            | 50.13%           |
| QInvest Holding Mauritius (iv)   | Mauritius                | Investment holding company    | 50.13%                            | 50.13%           |
| QInvest Luxembourg S.a.r.l. (iv)                                       | Luxembourg               | Investments                   | 50.13%                            | 50.13%           |
| QI St Edmund’s Terrace 2 Limited (iv)                                  | Cayman Island            | Investment holding company    | 50.13%                            | 50.13%           |
| QInvest IBFin LLC (Previously known as QInvest Comms Holding LLC) (iv) | Qatar                    | To provide financing facility | 50.13%                            | 50.13%           |
| QI One Wall Street Invest Co. (iv)                                     | Cayman Island            | Investment holding company    | -                                 | 50.13%           |
| QEthika 1 (iv)   | Cayman Island            | Investment holding company    | 50.13%                            | 50.13%           |
| QInvest Euro PE QFC LLC (iv)   | Qatar                    | Investment holding company    | 50.13%                            | 50.13%           |
| Q Tomahawk LLC (iv)  | Cayman Island            | Investment holding company    | 50.13%                            | 50.13%           |
| QInvest Refin LLC (iv)   | Qatar                    | To provide financing facility | 50.13%                            | 50.13%           |
| Q Alloy S.a.r.l (iv)   | Luxembourg               | To provide financing facility | 50.13%                            | 50.13%           |
| Q Magnolia LLC (iv)  | Cayman Island            | Investment in real estate     | 50.13%                            | 50.13%           |
| Qinvest Portfoy Yonetimi A.S. (iv)                                     | Turkey                   | Asset Management              | 50.13%                            | 50.13%           |
| BOH LLC (iv)   | Qatar                    | Holding Company               | 50.13%                            | 50.13%           |
| Alloy Holdco LLC (iv)  | Qatar                    | Investment holding company    | 50.13%                            | 50.13%           |
| Admiral Holdco LLC (iv)  | Qatar                    | Holding Company               | 50.13%                            | 50.13%           |
| QInvest RE-Equity LLC (iv)   | Qatar                    | Investment holding company    | 50.13%                            | 50.13%           |
| QSeven 1 LP (iv)   | Cayman Island            | Investment in real estate     | 45.62%                            | 45.62%           |
| Admiral Operations Limited (iv)  | Cayman Island            | Vessel operating company      | 37.60%                            | 37.60%           |

- 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.
- 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) The Group has the power to control these entities, indirectly through QInvest LLC and accordingly these entities have been considered as subsidiaries of the Group.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### As at and for the period ended 30 September 2019

## 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI") and the applicable provisions of Qatar Central Bank ("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 condensed consolidated interim financial statements have been prepared in accordance with the guidance provided by International Accounting Standard 34 – 'Interim Financial Reporting'.

The condensed consolidated interim 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 2018. In addition, results for the three and nine month periods ended 30 September 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

The preparation of the condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The actual results may differ from these estimates.

The significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2018.

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 2018.

### (b) Significant accounting policies

The significant accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018 as modified to include the impact of new standards, amendments and interpretations as detailed in (i) below.

#### New standards and interpretations

##### i. New standards, amendments and interpretations effective from 1 January 2019

###### *FAS 28 Murabaha and Other Deferred Payment Sales*

AAOIFI has issued FAS 28 Murabaha and Other Deferred Payment Sales in 2017. FAS 28 supersedes the earlier FAS 2 "Murabaha and Murabaha to the Purchase Orderer" and FAS 20 "Deferred Payment Sale".

The objective of this standard is to prescribe the appropriate accounting and reporting principles for recognition, measurement and disclosures in relation to Murabaha and other deferred payment sales transactions for the sellers and buyers, for such transactions.

The new standard is effective for annual reporting periods beginning on or after 1 January 2019 and has no impact on the Group's condensed consolidated interim financial statements.

##### ii. New standards, amendments and interpretations issued but not yet effective

###### *FAS 31 Investment Agency (Al-Wakala Bi Al-Istithmar)*

AAOIFI has issued FAS 31 Investment Agency (Al-Wakala Bi Al-Istithmar) in 2018. The objective of this standard is to establish the principles of accounting and financial reporting for the investment agency (Al-Wakala Bi Al-Istithmar) instruments and the related assets and obligations from both the principal (investor) and the agent perspectives. This standard shall be effective for the financial periods beginning on or after 1 January 2020 with early adoption permitted.

The Group is currently evaluating the impact of this standard.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the period ended 30 September 2019

### 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (b) Significant accounting policies (continued)

##### New standards and interpretations (continued)

#### ii. New standards, amendments and interpretations issued but not yet effective (continued)

##### *FAS 33 Investment in sukuk, shares and similar instruments*

AAOIFI has issued FAS 33 Investment in sukuk, shares and similar instruments in 2019. FAS 33 supersedes the earlier FAS 25 " Investment in sukuks, shares and similar instruments ".

The objective of this standard is to set out improved principles for classification, recognition, measurement, presentation and disclosure of investments in sukuk, shares and other similar instruments of investment made by Islamic Financial Institutions in line with Shari'ah principles. This standard shall be effective for the financial periods beginning on or after 1 January 2020 with early adoption permitted.

The Group is currently evaluating the impact of this standard.

##### *FAS 34 Financial reporting for Sukuk-holders*

AAOIFI has issued FAS 34 Financial reporting for Sukuk-holders in 2019.

The objective of this standard is to establish the principles of accounting and financial reporting for assets and business underlying the Sukuk to ensure transparent and fair reporting for all stakeholders particularly Sukuk-holders. This standard shall be effective for the financial periods beginning on or after 1 January 2020 with early adoption permitted.

The Group is currently evaluating the impact of this standard.

##### *FAS 35 Risk Reserves*

AAOIFI has issued FAS 35 "Risk Reserves" 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). This standard shall be effective for the financial periods beginning on or after 1 January 2021 with early adoption permitted only if the Group early adopts FAS 30 "Impairment, credit losses and onerous commitments".

The Group is currently evaluating the impact of this standard.

##### *FAS 30 Impairment, Credit losses and Onerous Commitments*

AAOIFI has issued FAS 30 Impairment, Credit losses and Onerous Commitments (FAS 30) in 2017. The objective of this standard is to establish the principles of accounting and financial reporting for the impairment and credit losses on various Islamic financing, investment and certain other assets of Islamic financial institutions (the institutions), and provisions against onerous commitments enabling in particular the users of financial statements to fairly assess the amounts, timing and uncertainties with regard to the future cash flows associated with such assets and transactions. FAS 30 will replace FAS 11 Provisions and Reserves and parts of FAS 25 Investment in Sukuk, shares and similar instruments that deal with impairment.

FAS 30 classifies assets and exposures into three categories based on the nature of risks involved (i.e. credit risk and other risks) and prescribes three approaches for assessing losses for each of these categories of assets: 1) Credit Losses approach, 2) Net Realizable Value approach ("NRV") and 3) Impairment approach.

The standard is effective from financial periods beginning on or after 1 January 2020 with early adoption permitted. However in 2018, the Group early adopted FAS 30 effective 01 January 2018 based on circular 26 of 2018 issued by QCB superseding its earlier circular 9 of 2017 pertaining to ECL regulations. The respective adjustments to the opening retained earnings and non-controlling interests as of 01 January 2018 were disclosed in the Group's annual consolidated financial statements for the year ended 31 December 2018.

**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.

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

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.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the period ended 30 September 2019

## 3. OPERATING SEGMENTS (CONTINUED)

## Information about operating segments

| <i>30 September 2019 (Reviewed)</i>                           | <i>Corporate<br/>banking<br/>QAR'000</i> | <i>Personal<br/>banking<br/>QAR'000</i> | <i>Group<br/>function<br/>QAR'000</i> | <i>Local &amp;<br/>international<br/>subsidiaries<br/>QAR'000</i> | <i>Total<br/>QAR'000</i> |
|---|--|---|---------------------------------------|---|--------------------------|
| External revenue:   |  |   |                                       |   |                          |
| Total income from financing and investing activities          | 3,522,360                                | 1,017,350                               | 390,268                               | 183,740   | 5,113,718                |
| Net fee and commission income                                 | 238,992                                  | 169,423                                 | 43,271                                | 37,169  | 488,855                  |
| Net foreign exchange gain                                     | -  | -                                       | 51,755                                | (4,115)   | 47,640                   |
| Share of results of associates                                | -  | -                                       | 9,316                                 | (1,325)   | 7,991                    |
| Other income  | -  | -                                       | 15,000                                | 37,356  | 52,356                   |
| Inter segment revenue   | (1,260,218)                              | 432,315                                 | 827,903                               | -   | -                        |
| <b>Total segment income</b>                                   | <b>2,501,134</b>                         | <b>1,619,088</b>                        | <b>1,337,513</b>                      | <b>252,825</b>  | <b>5,710,560</b>         |
| Staff costs, other expenses and depreciation and amortization | (196,079)                                | (337,982)                               | (96,722)                              | (197,034)   | (827,817)                |
| Sukuk holders' share of profit                                | -  | -                                       | (278,938)                             | -   | (278,938)                |
| Return to unrestricted investment account holders             | (1,119,501)                              | (397,379)                               | (328,434)                             | (42,991)  | (1,888,305)              |
| Other material non-cash items:                                |  |   |                                       |   |                          |
| Net impairment losses on investment securities                | -  | -                                       | (14,042)                              | (73,566)  | (87,608)                 |
| Net impairment (losses) / reversals on financing assets       | (133,029)                                | (97,546)                                | (223,154)                             | 6,876   | (446,853)                |
| Other impairment (losses) / reversals                         | -  | -                                       | (23,606)                              | 1,731   | (21,875)                 |
| <b>Reportable segment net profit / (loss) before tax</b>      | <b>1,052,525</b>                         | <b>786,181</b>                          | <b>372,617</b>                        | <b>(52,159)</b>   | <b>2,159,164</b>         |
| Tax reversal  | -  | -                                       | -                                     | (3,719)   | (3,719)                  |
| <b>Reportable segment net profit / (loss) after tax</b>       | <b>1,052,525</b>                         | <b>786,181</b>                          | <b>372,617</b>                        | <b>(55,878)</b>   | <b>2,155,445</b>         |

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

As at and for the period ended 30 September 2019

**3. OPERATING SEGMENTS (CONTINUED)**

Information about operating segments

| <i>30 September 2018 (Reviewed)</i>                           | <i>Corporate<br/>banking<br/>QAR'000</i> | <i>Personal<br/>banking<br/>QAR'000</i> | <i>Group function<br/>QAR'000</i> | <i>Local &amp;<br/>international<br/>subsidiaries<br/>QAR'000</i> | <i>Total<br/>QAR'000</i> |
|---|--|---|-----------------------------------|---|--------------------------|
| External revenue:   |  |   |                                   |   |                          |
| Total income from financing and investing activities          | 3,203,157                                | 937,513                                 | 154,731                           | 232,682   | 4,528,083                |
| Net fee and commission income                                 | 220,027                                  | 146,683                                 | 23,814                            | 23,392  | 413,916                  |
| Net foreign exchange gain                                     | -  | -                                       | 71,294                            | 79,686  | 150,980                  |
| Share of results of associates                                | -  | -                                       | 14,021                            | (17,385)  | (3,364)                  |
| Other income  | -  | -                                       | -                                 | 18,232  | 18,232                   |
| Inter segment revenue   | (875,986)                                | 317,481                                 | 558,505                           | -   | -                        |
| <b>Total segment income</b>                                   | <b>2,547,198</b>                         | <b>1,401,677</b>                        | <b>822,365</b>                    | <b>336,607</b>  | <b>5,107,847</b>         |
| Staff costs, other expenses and depreciation and amortization | (182,930)                                | (322,265)                               | (120,731)                         | (234,393)   | (860,319)                |
| Sukuk holders' share of profit                                | -  | -                                       | (180,317)                         | -   | (180,317)                |
| Return to unrestricted investment account holders             | (1,057,388)                              | (300,041)                               | (157,598)                         | (32,597)  | (1,547,624)              |
| Other material non-cash items:                                |  |   |                                   |   |                          |
| Net impairment losses on investment securities                | -  | -                                       | (179,825)                         | (1,626)   | (181,451)                |
| Net impairment (losses) / reversals on financing assets       | (127,887)                                | (59,819)                                | (183,568)                         | 3,781   | (367,493)                |
| Other impairment reversals / (losses)                         | -  | -                                       | 10,329                            | (7,980)   | 2,349                    |
| <b>Reportable segment net profit before tax</b>               | <b>1,178,993</b>                         | <b>719,552</b>                          | <b>10,655</b>                     | <b>63,792</b>   | <b>1,972,992</b>         |
| Tax expense   | -  | -                                       | -                                 | (14,746)  | (14,746)                 |
| <b>Reportable segment net profit after tax</b>                | <b>1,178,993</b>                         | <b>719,552</b>                          | <b>10,655</b>                     | <b>49,046</b>   | <b>1,958,246</b>         |

**Note:**

Certain segmental income and expenses for the nine-month period ended 30 September 2018 were reclassified in the condensed consolidated interim financial statements for the nine-month period ended 30 September 2019 to conform to the presentation and classification adopted in the current period.

**3. OPERATING SEGMENTS (CONTINUED)**

|  | <i>Corporate<br/>banking<br/>QAR'000</i> | <i>Personal<br/>banking<br/>QAR'000</i> | <i>Group<br/>function<br/>QAR'000</i> | <i>Local &amp;<br/>international<br/>subsidiaries<br/>QAR'000</i> | <i>Total<br/>QAR'000</i> |
|--|--|---|---------------------------------------|---|--------------------------|
| <i>30 September 2019 (Reviewed)</i>  |  |   |                                       |   |                          |
| Reportable segment assets  | <u>95,330,655</u>                        | <u>19,213,391</u>                       | <u>36,211,590</u>                     | <u>4,127,415</u>  | <u>154,883,051</u>       |
| Reportable segment liabilities and equity of unrestricted investments<br>account holders | <u>50,563,170</u>                        | <u>39,085,968</u>                       | <u>40,304,028</u>                     | <u>3,267,330</u>  | <u>133,220,496</u>       |
| <i>31 December 2018 (Audited)</i>  |  |   |                                       |   |                          |
| Reportable segment assets  | <u>91,400,552</u>                        | <u>18,298,362</u>                       | <u>38,827,233</u>                     | <u>4,706,218</u>  | <u>153,232,365</u>       |
| Reportable segment liabilities and equity of unrestricted investments<br>account holders | <u>58,369,504</u>                        | <u>35,316,924</u>                       | <u>34,976,783</u>                     | <u>3,829,777</u>  | <u>132,492,988</u>       |

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
 As at and for the period ended 30 September 2019

**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<br/>through<br/>equity</i> | <i>Fair value<br/>through<br/>income<br/>statement</i> | <i>Amortised<br/>cost</i> | <i>Total<br/>carrying<br/>amount</i> | <i>Fair value</i>  |
|---|--|--|---------------------------|--------------------------------------|--------------------|
|   | -----                                    | -----  | <i>QAR'000</i>            | -----                                | -----              |
| <i>30 September 2019 (Reviewed)</i>               |  |  |                           |                                      |                    |
| Cash and balances with central banks              | -  | -  | 5,904,133                 | 5,904,133                            | 5,904,133          |
| Due from banks                                    | -  | -  | 3,685,771                 | 3,685,771                            | 3,685,771          |
| Financing assets                                  | -  | 499,665  | 106,546,707               | 107,046,372                          | 107,046,372        |
| Investment securities                             | 516,265                                  | 1,478,032  | 30,712,597                | 32,706,894                           | 32,785,009         |
| Other assets                                      | -  | -  | 488,301                   | 488,301                              | 488,301            |
|   | <b>516,265</b>                           | <b>1,977,697</b>                                       | <b>147,337,509</b>        | <b>149,831,471</b>                   | <b>149,909,586</b> |
| Due to banks                                      | -  | -  | 11,782,871                | 11,782,871                           | 11,782,871         |
| Customers' current accounts                       | -  | -  | 15,135,258                | 15,135,258                           | 15,135,258         |
| Sukuk financing                                   | -  | -  | 10,947,817                | 10,947,817                           | 10,947,817         |
| Other liabilities                                 | -  | -  | 3,843,728                 | 3,843,728                            | 3,843,728          |
| Equity of unrestricted investment account holders | -  | -  | 91,510,822                | 91,510,822                           | 91,510,822         |
|   | -  | -  | <b>133,220,496</b>        | <b>133,220,496</b>                   | <b>133,220,496</b> |
|   |  |  |                           |                                      |                    |
|   | <i>Fair value<br/>through<br/>equity</i> | <i>Fair value<br/>through<br/>income<br/>statement</i> | <i>Amortised<br/>cost</i> | <i>Total<br/>carrying<br/>amount</i> | <i>Fair value</i>  |
|   | -----                                    | -----  | <i>QAR'000</i>            | -----                                | -----              |
| <i>31 December 2018 (Audited)</i>                 |  |  |                           |                                      |                    |
| Cash and balances with central banks              | -  | -  | 7,298,914                 | 7,298,914                            | 7,298,914          |
| Due from banks                                    | -  | -  | 6,424,153                 | 6,424,153                            | 6,424,153          |
| Financing assets                                  | -  | 494,929  | 101,715,001               | 102,209,930                          | 102,209,930        |
| Investment securities:                            | 486,027                                  | 2,041,767  | 28,945,807                | 31,473,601                           | 31,447,624         |
| Other assets                                      | -  | -  | 760,836                   | 760,836                              | 760,836            |
|   | <b>486,027</b>                           | <b>2,536,696</b>                                       | <b>145,144,711</b>        | <b>148,167,434</b>                   | <b>148,141,457</b> |
| Due to banks                                      | -  | -  | 17,233,968                | 17,233,968                           | 17,233,968         |
| Customers' current accounts                       | -  | -  | 15,420,808                | 15,420,808                           | 15,420,808         |
| Sukuk financing                                   | -  | -  | 9,189,047                 | 9,189,047                            | 9,189,047          |
| Other liabilities                                 | -  | -  | 5,471,990                 | 5,471,990                            | 5,471,990          |
| Equity of unrestricted investment account holders | -  | -  | 85,177,175                | 85,177,175                           | 85,177,175         |
|   | -  | -  | <b>132,492,988</b>        | <b>132,492,988</b>                   | <b>132,492,988</b> |

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS As at and for the period ended 30 September 2019

### 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 2,741 million (31 December 2018: QAR 2,484 million) for which the fair value amounts to QAR 2,819 million (31 December 2018: QAR 2,458 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.



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
 As at and for the period ended 30 September 2019

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

During the period ended 30 September 2019 and year ended 31 December 2018, 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 following table shows the reconciliation of the opening and closing amounts of level 3 investments which are recorded at fair value:

|   | <i>At<br/>1 January<br/>2019</i> | <i>Total (loss) / gain<br/>recorded<br/>in consolidated<br/>income statement /<br/>fair value reserve</i> | <i>Purchases</i> | <i>Sales /<br/>transfers</i> | <i>At 30<br/>September 2019</i> |
|---|----------------------------------|---|------------------|------------------------------|---------------------------------|
|   | <i>(Audited)</i>                 |   | <i>QAR '000</i>  |                              | <i>(Reviewed)</i>               |
|   |                                  | -----   | -----            | -----                        |                                 |
| <b>Equity investments:</b>                  |                                  |   |                  |                              |                                 |
| at fair value through income statement      | 1,441,957                        | (30,511)  | 38,255           | (535,122)                    | 914,579                         |
| <b>Financing assets classified as FVTIS</b> | <b>494,929</b>                   | <b>11,732</b>   | <b>37,132</b>    | <b>(44,128)</b>              | <b>499,665</b>                  |
|   | <b>1,936,886</b>                 | <b>(18,779)</b>   | <b>75,387</b>    | <b>(579,250)</b>             | <b>1,414,244</b>                |

|   | <i>At<br/>1 January<br/>2018</i> | <i>Total (loss) / gain<br/>recorded<br/>in consolidated<br/>income statement /<br/>fair value reserve</i> | <i>Purchases</i> | <i>Sales/<br/>transfers</i> | <i>At 31<br/>December<br/>2018</i> |
|---|----------------------------------|---|------------------|-----------------------------|------------------------------------|
|   | <i>(Audited)</i>                 |   | <i>QAR '000</i>  |                             | <i>(Audited)</i>                   |
|   |                                  | -----   | -----            | -----                       |                                    |
| <b>Equity investments:</b>                  |                                  |   |                  |                             |                                    |
| at fair value through equity                | 267,532                          | 10,877  | 937              | (279,346)                   | -                                  |
| at fair value through income statement      | 1,140,472                        | (94,710)  | 412,416          | (16,221)                    | 1,441,957                          |
| <b>Debt investments</b>                     |                                  |   |                  |                             |                                    |
| at fair value through income statement      | 7,433                            | (7,433)   | -                | -                           | -                                  |
| <b>Financing assets classified as FVTIS</b> | <b>522,019</b>                   | <b>(7,678)</b>  | <b>-</b>         | <b>(19,412)</b>             | <b>494,929</b>                     |
|   | <b>1,937,456</b>                 | <b>(98,944)</b>   | <b>413,353</b>   | <b>(314,979)</b>            | <b>1,936,886</b>                   |

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
 As at and for the period ended 30 September 2019

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

In the case of equity-type investments classified as fair value through equity and measured at fair value, a significant (where market value has declined by a minimum of 20%) or prolonged (where market value has declined for 9 months at least) 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 condensed consolidated statement of changes in equity is removed from equity and recognised in the condensed consolidated income statement. Impairment losses recognised in the condensed consolidated income statement on equity-type investments are subsequently reversed through equity. The Group has provided QAR 101.2 million (30 September 2018: QAR 166.5 million) as impairment on equity investment securities which were recognised under “Net impairment losses on investment securities” in the condensed 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 condensed consolidated statement of changes in equity under fair value reserve. Any unrealized losses resulting from re-measurement at fair value is recognized in the condensed 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 condensed consolidated income statement. In case there are unrealized losses that have been recognized in the condensed 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 condensed 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 condensed consolidated income statement and reflected in an allowance account. The Group has provided QAR 446.9 million (30 September 2018: QAR 367.5 million) as impairment on financing assets which was recognised under “Net impairment loss on financing assets” in the condensed consolidated income statement. Further, the Group has recognised reversals of impairment losses of QAR 13.6 million (30 September 2018: impairment losses of QAR 15 million) on investment securities which was recognised under “Net impairment losses on investment securities” in the condensed consolidated income statement.

**6. FINANCING ASSETS**

|  | <b>30 September<br/>2019<br/>(Reviewed)<br/>QAR'000</b> | <b>31 December<br/>2018<br/>(Audited)<br/>QAR'000</b> | <b>30 September<br/>2018<br/>(Reviewed)<br/>QAR'000</b> |
|--|---|---|---|
| Total financing assets   | <b>117,620,564</b>                                      | 112,407,272   | 116,295,994   |
| Less: Deferred profit  | <b>(7,908,118)</b>                                      | (8,004,893)   | (7,700,538)   |
| Expected credit losses on financing assets - performing (Stage 1 and 2) *  | <b>(1,292,858)</b>                                      | (930,024)   | (752,278)   |
| Allowance for impairment on financing assets – credit impaired (Stage 3) * | <b>(1,305,622)</b>                                      | (1,199,780)   | (1,398,592)   |
| Suspended profit   | <b>(67,594)</b>   | (62,645)  | (66,567)  |
| <b>Net financing assets</b>  | <b><u>107,046,372</u></b>                               | <u>102,209,930</u>                                    | <u>106,378,019</u>                                      |

*Note:*

Net financing assets includes hybrid instruments amounting to QAR 500 million designated as fair value through income statement ('FVTIS') (31 December 2018: QAR 495 million) which are not subject to impairment assessment.

The impaired financing assets net of deferred profit amounted to QAR 1,373 million as at 30 September 2019 representing 1.2% of the total financing assets net of deferred profit (31 December 2018: QAR 1,261 million, representing 1.2% 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 30 September 2019

## 7. INVESTMENT SECURITIES

|  | 30 September 2019 (Reviewed) |                     |                   | 31 December 2018 (Audited) |                     |                   | 30 September 2018 (Reviewed) |                     |                   |
|--|------------------------------|---------------------|-------------------|----------------------------|---------------------|-------------------|------------------------------|---------------------|-------------------|
|  | Quoted<br>QAR'000            | Unquoted<br>QAR'000 | Total<br>QAR'000  | Quoted<br>QAR'000          | Unquoted<br>QAR'000 | Total<br>QAR'000  | Quoted<br>QAR'000            | Unquoted<br>QAR'000 | Total<br>QAR'000  |
| <b>Investments classified as fair value through income statement</b>   |                              |                     |                   |                            |                     |                   |                              |                     |                   |
| • equity-type investments  | 69,146                       | 1,304,468           | 1,373,614         | 15,934                     | 1,927,331           | 1,943,265         | 20,282                       | 1,832,021           | 1,852,303         |
| • debt-type investments  |                              |                     |                   |                            |                     |                   |                              |                     |                   |
| - Fixed rate   | 20,010                       | 1,673               | 21,683            | 16,608                     | -                   | 16,608            | 18,248                       | 7,433               | 25,681            |
| - Floating rate  | -                            | 82,735              | 82,735            | -                          | 81,894              | 81,894            | -                            | 81,887              | 81,887            |
|  | <b>89,156</b>                | <b>1,388,876</b>    | <b>1,478,032</b>  | <b>32,542</b>              | <b>2,009,225</b>    | <b>2,041,767</b>  | <b>38,530</b>                | <b>1,921,341</b>    | <b>1,959,871</b>  |
| <b>Debt-type investments classified at amortised cost</b>              |                              |                     |                   |                            |                     |                   |                              |                     |                   |
| - State of Qatar Sukuk and QCB Murabaha                                | 1,982,209                    | 27,824,048          | 29,806,257        | 1,845,212                  | 26,358,874          | 28,204,086        | 1,756,745                    | 26,368,003          | 28,124,748        |
| - Fixed rate   | 773,041                      | 232,660             | 1,005,701         | 620,868                    | 233,766             | 854,634           | 529,941                      | 153,125             | 683,066           |
| <b>Less: allowance for impairment*</b>                                 | <b>(4,498)</b>               | <b>(94,863)</b>     | <b>(99,361)</b>   | <b>(6,013)</b>             | <b>(106,900)</b>    | <b>(112,913)</b>  | <b>(14,320)</b>              | <b>(45,077)</b>     | <b>(59,397)</b>   |
|  | <b>2,750,752</b>             | <b>27,961,845</b>   | <b>30,712,597</b> | <b>2,460,067</b>           | <b>26,485,740</b>   | <b>28,945,807</b> | <b>2,272,366</b>             | <b>26,476,051</b>   | <b>28,748,417</b> |
| <b>Equity-type investments classified as fair value through equity</b> |                              |                     |                   |                            |                     |                   |                              |                     |                   |
|  | <b>351,061</b>               | <b>165,204</b>      | <b>516,265</b>    | <b>408,737</b>             | <b>77,290</b>       | <b>486,027</b>    | <b>296,581</b>               | <b>111,561</b>      | <b>408,142</b>    |
|  | <b>3,190,969</b>             | <b>29,515,925</b>   | <b>32,706,894</b> | <b>2,901,346</b>           | <b>28,572,255</b>   | <b>31,473,601</b> | <b>2,607,477</b>             | <b>28,508,953</b>   | <b>31,116,430</b> |

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

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**8. EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS**

|                             | <i>30 September<br/>2019<br/>(Reviewed)<br/>QAR'000</i> | <i>31 December<br/>2018<br/>(Audited)<br/>QAR'000</i> | <i>30 September<br/>2018<br/>(Reviewed)<br/>QAR'000</i> |
|-----------------------------|---|---|---|
| Term accounts               | <b>74,810,502</b>                                       | 69,571,701  | 71,387,449  |
| Saving accounts             | <b>14,527,092</b>                                       | 13,011,774  | 13,115,325  |
| Call accounts               | <b>2,117,012</b>  | 2,547,708   | 3,166,817   |
|                             | <b>91,454,606</b>                                       | 85,131,183  | 87,669,591  |
| Share in fair value reserve | <b>56,216</b>   | 45,992  | 44,335  |
| <b>Total</b>                | <b>91,510,822</b>                                       | 85,177,175  | 87,713,926  |

**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 2018: QAR 55.1 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 EARNING 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 month period<br/>ended 30 September<br/>2019<br/>(Reviewed)</i> |                             | <i>For the nine month period<br/>ended 30 September<br/>2019<br/>(Reviewed)</i> |                             |
|--|--|-----------------------------|---|-----------------------------|
|  | <i>2019</i>  | <i>2018<br/>(Reviewed)*</i> | <i>2019</i>   | <i>2018<br/>(Reviewed)*</i> |
| Profit for the period attributable to equity holders of the Bank (QAR'000) | <b>790,048</b>   | 679,994                     | <b>2,215,357</b>  | 2,005,325                   |
| *Weighted average number of shares outstanding during the period ('000)    | <b>2,362,932</b>   | 2,362,932                   | <b>2,362,932</b>  | 2,362,932                   |
| Basic and diluted earnings per share (QAR)                                 | <b>0.33</b>  | 0.29                        | <b>0.94</b>   | 0.85                        |

\*As per the instructions from the Qatar Financial Markets Authority, the Extraordinary General Assembly on 20 February 2019 approved a 10 for 1 share split i.e. 10 new shares with a par value of QAR 1 each were exchanged for 1 old share with a par value of QAR 10 each. This has led to an increase in the number of authorised and outstanding shares from 236,293,200 to 2,362,932,000. The listing of the new shares on Qatar Exchange was effective from 16 June 2019, as decided by Qatar Exchange. Consequently, weighted average number of shares outstanding has been retrospectively adjusted.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM 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 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. PROPOSED CASH DIVIDENDS**

The equity holders of the Bank approved 50% cash dividends of (QAR 5 per share) amounting to QAR 1,181 million for the year ended 31 December 2018 (50% cash dividends of (QAR 5 per share) amounting to QAR 1,181 million for the year ended 31 December 2017) in the general assembly meeting held on 20 February 2019.

**16. CASH AND CASH EQUIVALENTS**

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

|   | <b>30 September<br/>2019<br/>(Reviewed)<br/>QAR'000</b> | <b>31 December<br/>2018<br/>(Audited)<br/>QAR'000</b> | <b>30 September<br/>2018<br/>(Reviewed)<br/>QAR'000</b> |
|---|---|---|---|
| Cash and balances with central banks (excluding restricted QCB and other central banks reserve account) | 1,283,730   | 2,779,967   | 1,662,364   |
| Due from banks  | <u>2,717,087</u>  | <u>6,307,647</u>                                      | <u>2,412,165</u>  |
| <b>Total</b>  | <b><u>4,000,817</u></b>                                 | <b><u>9,087,614</u></b>                               | <b><u>4,074,529</u></b>                                 |

**17. CONTINGENT LIABILITIES AND COMMITMENTS**

|                                  | <b>30 September<br/>2019<br/>(Reviewed)<br/>QAR'000</b> | <b>31 December<br/>2018<br/>(Audited)<br/>QAR'000</b> | <b>30 September<br/>2018<br/>(Reviewed)<br/>QAR'000</b> |
|----------------------------------|---|---|---|
| <b>a) Contingent liabilities</b> |   |   |   |
| Unused financing facilities      | 5,075,176   | 4,808,855   | 4,442,257   |
| Guarantees                       | 10,473,140  | 11,090,785  | 11,306,388  |
| Letters of credit                | <u>4,149,140</u>  | <u>2,077,304</u>                                      | <u>2,205,564</u>  |
|                                  | <b><u>19,697,456</u></b>                                | <b><u>17,976,944</u></b>                              | <b><u>17,954,209</u></b>                                |
| <b>b) Commitments</b>            |   |   |   |
| Investment commitment            | <u>41,120</u>   | <u>152,678</u>  | <u>185,470</u>  |
| <b>Total</b>                     | <b><u>19,738,576</u></b>                                | <b><u>18,129,622</u></b>                              | <b><u>18,139,679</u></b>                                |

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**17. CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)**
**Lease commitments**

Operating lease rentals are payable as follows:

|   | <b>30 September<br/>2019<br/>(Reviewed)<br/>QAR'000</b> | <b>31 December<br/>2018<br/>(Audited)<br/>QAR'000</b> | <b>30 September<br/>2018<br/>(Reviewed)<br/>QAR'000</b> |
|---|---|---|---|
| Less than one year                          | 12,405  | 13,113  | 18,091  |
| After one year but not more than five years | 48,513  | 51,279  | 57,079  |
|   | <b>60,918</b>   | <b>64,392</b>   | <b>75,170</b>   |

**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 condensed consolidated interim financial statements are as follows:

|  | <b>30 September 2019 (Reviewed)</b>         |   |                           | <b>31 December 2018 (Audited)</b>           |   |                           |
|--|---|---|---------------------------|---|---|---------------------------|
|  | <i>Associated<br/>companies<br/>QAR'000</i> | <i>Board of<br/>Directors<br/>QAR'000</i> | <i>Others<br/>QAR'000</i> | <i>Associated<br/>companies<br/>QAR'000</i> | <i>Board of<br/>Directors<br/>QAR'000</i> | <i>Others<br/>QAR'000</i> |
| <b>Assets:</b>   |   |   |                           |   |   |                           |
| Financing assets   | 109,617                                     | 1,567,651                                 | 1,486,699                 | 157,905                                     | 1,334,045                                 | 1,456,204                 |
| <b>Equity of unrestricted<br/>investment account holders</b>   | <b>79,307</b>                               | <b>858,577</b>                            | <b>13,819</b>             | 50,811                                      | 1,061,279                                 | 25,150                    |
| <b>Off balance sheet items:</b>                                |   |   |                           |   |   |                           |
| Contingent liabilities,<br>guarantees and other<br>commitments | -   | 445,138                                   | -                         | -   | 470,999                                   | -                         |
|  |   |   |                           |   |   |                           |
|  | <b>30 September 2019 (Reviewed)</b>         |   |                           | <b>30 September 2018 (Reviewed)</b>         |   |                           |
|  | <i>Associated<br/>companies<br/>QAR'000</i> | <i>Board of<br/>Directors<br/>QAR'000</i> | <i>Others<br/>QAR'000</i> | <i>Associated<br/>companies<br/>QAR'000</i> | <i>Board of<br/>Directors<br/>QAR'000</i> | <i>Others<br/>QAR'000</i> |
| <b>Consolidated statement of<br/>income items:</b>             |   |   |                           |   |   |                           |
| Income from financing activities                               | 5,565                                       | 62,232                                    | 61,566                    | 5,451                                       | 40,822                                    | 66,205                    |
| Profit paid on deposits  | 1,484                                       | 14,375                                    | -                         | 989   | 16,243                                    | 1                         |
| Fee and commission   | 443   | 1,327                                     | -                         | -   | 1,538                                     | -                         |

Key management personnel compensation for the period comprised:

|                             | <b>30 September</b>                    |  |
|-----------------------------|--|--|
|                             | <b>2019<br/>(Reviewed)<br/>QAR'000</b> | <b>2018<br/>(Reviewed)<br/>QAR'000</b> |
| Key management remuneration | <b>56,726</b>                          | 62,546                                 |

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**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 2019.

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 September<br/>2019<br/>QAR'000<br/>(Reviewed)</i> | <i>31 December<br/>2018<br/>QAR'000<br/>(Audited)</i> | <i>30 September<br/>2018<br/>QAR'000<br/>(Reviewed)</i> |
|---|---|---|---|
| Common Equity Tier 1 (CET 1) Capital                        | <b>14,643,096</b>                                       | 14,841,497  | 13,561,440  |
| Additional Tier 1 Capital                                   | <b>4,000,000</b>  | 4,000,000   | 4,000,000   |
| Other Tier 1 capital  | <b>47,933</b>   | 56,566  | 60,352  |
| Tier 2 capital  | <b>1,301,818</b>  | 1,064,101   | 1,296,536   |
| <b>Total eligible capital</b>                               | <b>19,992,847</b>                                       | 19,962,164  | 18,918,328  |
| <b>Risk weighted assets</b>                                 | <b>108,639,251</b>                                      | 106,398,661   | 106,871,759   |
| <b>Common equity tier 1 (CET 1) capital adequacy ratio</b>  | <b>13.5%</b>  | 13.9%   | 12.7%   |
| <b>QCB minimum</b>  | <b>9.5%</b>   | 9.25%   | 9.25%   |
| <b>Total capital adequacy ratio</b>                         | <b>18.4%</b>  | 18.8%   | 17.7%   |
| <b>QCB minimum including ICAAP pillar II capital charge</b> | <b>14.5%</b>  | 14.25%  | 14.25%  |

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**20. FINANCIAL RISK MANAGEMENT**

The Group's financial risk management policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2018.

**Exposure and movement of expected credit loss / impairment allowances**

|  | Stage 1             | Stage 2           | Stage 3          | Total              |
|--|---------------------|-------------------|------------------|--------------------|
|  | ----- QAR'000 ----- |                   |                  |                    |
| <b>Exposures subject to expected credit losses as at 30 September 2019</b>   |                     |                   |                  |                    |
| Due from banks   | 3,606,123           | 79,654            | 20,647           | 3,706,424          |
| Debt type investments carried at amortised cost  | 30,630,175          | 79,726            | 102,057          | 30,811,958         |
| Financing assets*  | 91,783,068          | 15,834,415        | 1,305,622        | 108,923,105        |
| Other financial instruments subject to credit risk   | 12,902,493          | 872,010           | 40,150           | 13,814,653         |
|  | <u>138,921,859</u>  | <u>16,865,805</u> | <u>1,468,476</u> | <u>157,256,140</u> |
| <b>Opening balance of expected credit losses / impairment losses as at 1 January 2019</b>                                    |                     |                   |                  |                    |
| Due from banks   | 186                 | -                 | 20,647           | 20,833             |
| Debt type investments carried at amortised cost  | 2,134               | 4,602             | 106,177          | 112,913            |
| Financing assets   | 209,101             | 720,923           | 1,199,780        | 2,129,804          |
| Other financial instruments subject to credit risk   | 56,187              | 14,403            | 20,199           | 90,789             |
|  | <u>267,608</u>      | <u>739,928</u>    | <u>1,346,803</u> | <u>2,354,339</u>   |
| Fair value adjustments**   | 43,437              | -                 | -                | 43,437             |
| <b>Opening balance of expected credit losses / impairment losses as at 1 January 2019 (excluding fair value adjustments)</b> | 311,045             | 739,928           | 1,346,803        | 2,397,776          |
| <b>Net transfer between stages</b>   |                     |                   |                  |                    |
| Due from banks   | -                   | -                 | -                | -                  |
| Debt type investments carried at amortised cost  | -                   | -                 | -                | -                  |
| Financing assets   | (4,459)             | (2,668)           | 7,127            | -                  |
| Other financial instruments subject to credit risk   | -                   | -                 | -                | -                  |
|  | <u>(4,459)</u>      | <u>(2,668)</u>    | <u>7,127</u>     | <u>-</u>           |
| <b>Write off / transfers for the period</b>  |                     |                   |                  |                    |
| Due from banks   | -                   | -                 | -                | -                  |
| Debt type investments carried at amortised cost  | -                   | -                 | -                | -                  |
| Financing assets   | (4,250)             | (5)               | (17,359)         | (21,614)           |
| Other financial instruments subject to credit risk   | -                   | -                 | -                | -                  |
|  | <u>(4,250)</u>      | <u>(5)</u>        | <u>(17,359)</u>  | <u>(21,614)</u>    |
| <b>Charge / (reversal) for the period (net) including foreign currency translation</b>                                       |                     |                   |                  |                    |
| Due from banks   | 3                   | 20                | -                | 23                 |
| Debt type investments carried at amortised cost  | (1,576)             | (648)             | (11,327)         | (13,551)           |
| Financing assets   | 462,290             | (131,510)         | 116,073          | 446,853            |
| Other financial instruments subject to credit risk   | 11,923              | (7,929)           | 17,858           | 21,852             |
|  | <u>472,640</u>      | <u>(140,067)</u>  | <u>122,604</u>   | <u>455,177</u>     |
| <b>Closing balance of expected credit losses / impairment losses - as at 30 September 2019 (Reviewed)</b>                    |                     |                   |                  |                    |
| Due from banks   | 189                 | 20                | 20,647           | 20,856             |
| Debt type investments carried at amortised cost  | 558                 | 3,954             | 94,850           | 99,362             |
| Financing assets   | 706,119             | 586,740           | 1,305,621        | 2,598,480          |
| Other financial instruments subject to credit risk   | 68,110              | 6,474             | 38,057           | 112,641            |
|  | <u>774,976</u>      | <u>597,188</u>    | <u>1,459,175</u> | <u>2,831,339</u>   |

\*net of suspended profit

\*\* pertaining to financing assets carried at fair value through income statement.

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**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 September 2019.

| Rating grade        | Due from banks   | Debt type investments carried at amortised cost | Financing assets   | Other financial instruments subject to credit risk | Total              |
|---------------------|------------------|---|--------------------|--|--------------------|
| ----- QAR'000 ----- |                  |   |                    |  |                    |
| AAA to AA-          | 4,149            | 28,144,899                                      | 17,421,525         | 3,080,427  | 48,651,000         |
| A+ to A-            | 2,569,612        | 183,385   | 2,576,637          | 341,162  | 5,670,796          |
| BBB to BBB-         | 94,254           | 80,037  | 71,766,816         | 6,559,857  | 78,500,964         |
| BB+ to B-           | 145,947          | 198,422   | 13,070,752         | 3,643,336  | 17,058,457         |
| Unrated             | 892,462          | 2,205,215                                       | 4,087,375          | 189,871  | 7,374,923          |
| <b>Total</b>        | <b>3,706,424</b> | <b>30,811,958</b>                               | <b>108,923,105</b> | <b>13,814,653</b>                                  | <b>157,256,140</b> |

**21. COMPARATIVE FIGURES**

Certain figures have been reclassified where necessary to preserve consistency with the presentation in the current period. However, such reclassifications did not have any effect on the condensed consolidated income statement or the total consolidated equity for the comparative period/year.