

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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

31 MARCH 2025

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2025

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

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Qatar Islamic Bank (Q.P.S.C.) (the "Bank") and its subsidiaries (the "Group") as at 31 March 2025, comprising of the interim consolidated statement of financial position as at 31 March 2025, the interim consolidated statement of income, interim consolidated statement of comprehensive income, interim consolidated statement of income and attribution related to quasi-equity, interim consolidated statement of changes in equity, interim condensed consolidated statement of cash flows and interim consolidated statement of changes in off-balance sheet assets under management for the three-month period then ended, and the related explanatory notes.

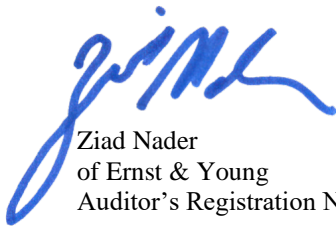
The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with Financial Accounting Standards ("FAS") 41- Interim Financial Reporting issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI") as modified by Qatar Central Bank ("QCB"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with FAS 41 issued by AAOIFI as modified by QCB.



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

Date: 16 April 2025
Doha



INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

		31 March 2025 (Reviewed) QAR'000	31 December 2024 (Audited) QAR'000	31 March 2024 (Reviewed) QAR'000
ASSETS				
Cash and balances with central banks		9,192,065	8,683,066	9,214,556
Due from banks		5,530,736	2,488,250	1,762,946
Financing assets	6	131,753,074	125,274,016	124,655,189
Investment securities	7	53,271,561	53,008,246	48,750,479
Investment in associates		1,109,864	1,100,365	1,134,386
Investment properties		2,489,208	2,467,793	3,300,570
Fixed assets		366,381	355,853	513,469
Intangible assets		-	-	217,814
Other assets		2,455,650	2,214,142	2,389,006
Assets held for sale	21	5,429,553	5,188,045	-
TOTAL ASSETS		<u>211,598,092</u>	<u>200,779,776</u>	<u>191,938,415</u>
LIABILITIES, QUASI-EQUITY AND EQUITY				
LIABILITIES				
Due to banks		28,438,971	24,017,183	25,034,424
Customers' current accounts		16,496,194	16,429,048	15,204,172
Sukuk financing		11,031,129	13,741,520	11,594,043
Other liabilities		3,529,516	2,825,744	3,000,784
Liabilities directly associated with assets held for sale	21	3,683,376	3,429,799	-
TOTAL LIABILITIES		<u>63,179,186</u>	<u>60,443,294</u>	<u>54,833,423</u>
QUASI-EQUITY				
Participatory investment accounts	8	116,904,086	108,511,675	107,791,756
Reserves attributable to quasi-equity	8	53,639	53,963	60,693
		<u>116,957,725</u>	<u>108,565,638</u>	<u>107,852,449</u>
EQUITY				
Share capital		2,362,932	2,362,932	2,362,932
Legal reserve	9	6,370,016	6,370,016	6,370,016
Risk reserve	10	3,102,283	3,102,283	2,952,553
General reserve	11	81,935	81,935	81,935
Fair value reserve		(109,449)	(88,969)	(12,069)
Foreign currency translation reserve	13	(631,717)	(661,941)	(586,019)
Other reserves		216,820	216,820	216,820
Retained earnings		15,459,438	15,774,256	13,243,175
Total equity attributable to equity holders of the bank		<u>26,852,258</u>	<u>27,157,332</u>	<u>24,629,343</u>
Non-controlling interests		608,923	613,512	623,200
Sukuk eligible as additional capital	14	4,000,000	4,000,000	4,000,000
TOTAL EQUITY		<u>31,461,181</u>	<u>31,770,844</u>	<u>29,252,543</u>
TOTAL LIABILITIES, QUASI-EQUITY AND EQUITY				
		<u>211,598,092</u>	<u>200,779,776</u>	<u>191,938,415</u>
Off-balance sheet assets under management		10,520	10,520	326,163
Contingent liabilities and commitments	17	20,797,923	19,646,032	19,236,827

These interim condensed consolidated financial statements were approved by the Board of Directors on 16 April 2025 and were signed on its behalf by:


 Jassim Bin Hamad Bin Jassim Bin Jaber Al Thani
 Chairman


 Bassel Gamal
 Group Chief Executive Officer

The attached notes 1 to 23 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three-month period ended 31 March 2025

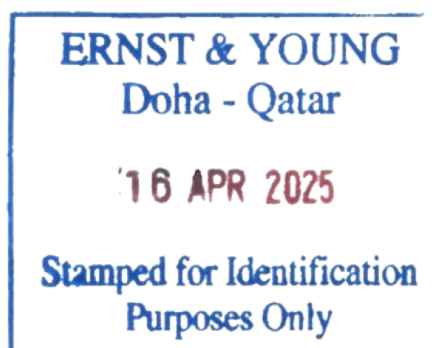
	<i>For the three-month period ended 31 March</i>	
	2025 <i>(Reviewed)</i> QAR'000	2024 <i>(Reviewed)</i> QAR'000
Continuing operations		
Net income from financing activities	2,286,844	2,327,208
Net income from investing activities	384,631	359,033
Sukuk holders' share of profit	<u>(112,723)</u>	<u>(126,945)</u>
Total income from financing and investing activities, net	<u>2,558,752</u>	<u>2,559,296</u>
Fee and commission income	316,701	299,686
Fee and commission expense	<u>(109,069)</u>	<u>(89,506)</u>
Net fee and commission income	<u>207,632</u>	<u>210,180</u>
Net foreign exchange gain	11,134	9,239
Net share of results of associates	17,948	13,526
Other income	<u>2,879</u>	<u>2,232</u>
Total income	<u>2,798,345</u>	<u>2,794,473</u>
Staff costs	(157,845)	(152,632)
Depreciation and amortisation	(15,476)	(17,642)
Other expenses	<u>(95,087)</u>	<u>(92,389)</u>
Total expenses	<u>(268,408)</u>	<u>(262,663)</u>
Net impairment for financing assets, other assets and other provisions	<u>(357,492)</u>	<u>(361,578)</u>
Net profit for the period before tax and attribution to quasi-equity	<u>2,172,445</u>	<u>2,170,232</u>
Less: Net profit attributable to quasi-equity holders	<u>(1,179,645)</u>	<u>(1,205,134)</u>
Net profit for the period before tax from continuing operations	<u>992,800</u>	<u>965,098</u>
Tax expense	(5,116)	(5,350)
Net profit for the period from continuing operations	<u>987,684</u>	<u>959,748</u>
Discontinued operations		
Loss after tax for the period from discontinued operations	21 <u>(7,540)</u>	<u>(9,915)</u>
Net profit for the period	<u>980,144</u>	<u>949,833</u>
Net profit for the period attributable to:		
Equity holders of the Bank	985,089	955,144
Non-controlling interests	<u>(4,945)</u>	<u>(5,311)</u>
Net profit for the period	<u>980,144</u>	<u>949,833</u>
Earnings per share		
Basic and diluted earnings per share and earnings per share from continuing operations (QAR per share)	12 <u>0.42</u>	<u>0.40</u>



INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three-month period ended 31 March 2025

	<i>For the three-month period ended 31 March</i>	
	2025 <i>(Reviewed)</i> QAR'000	2024 <i>(Reviewed)</i> QAR'000
NET PROFIT FOR THE PERIOD	980,144	949,833
OTHER COMPREHENSIVE INCOME		
Items that may not be subsequently classified to consolidated statement of income		
Fair value changes of equity-type investments classified as FVTOCI	(8,702)	(11,838)
Items that may be subsequently classified to consolidated statement of income		
Exchange differences arising on translation of foreign operations	37,692	(8,165)
Fair value changes of debt-type investments classified as FVTOCI	(5,821)	2,596
Net change in the share of other comprehensive income of investment in associates:		
Net change in fair value	(949)	960
Net movement in cash flow hedges – effective portion of changes in fair value	(20,744)	12,356
Fair value changes of investment properties	6,875	4,342
Share in the reserve attributable to quasi-equity	(324)	2,139
Total other comprehensive income for the period	8,027	2,390
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	988,171	952,223
Total comprehensive income for the period attributable to:		
Equity holders of the Bank	994,833	953,033
Non-controlling interests	(6,662)	(810)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	988,171	952,223

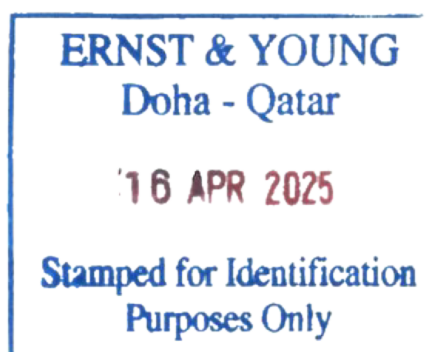


Qatar Islamic Bank (Q.P.S.C.)

INTERIM CONSOLIDATED STATEMENT OF INCOME AND ATTRIBUTION RELATED TO QUASI-EQUITY

For the three-month period ended 31 March 2025

	<i>For the three-month period ended 31 March</i>	
	<u>2025</u> <i>(Reviewed)</i> <u>QAR'000</u>	<u>2024</u> <i>(Reviewed)</i> <u>QAR'000</u>
Net profit for the period before attribution to quasi-equity	2,172,445	2,170,232
Less: Income not attributable to quasi-equity	(894,818)	(891,009)
Add: Expenses not attributable to quasi-equity	<u>258,129</u>	<u>261,048</u>
Net profit attributable to quasi-equity holders before Bank's Mudaraba income	1,535,756	1,540,271
Less: Mudarib's share	(1,410,268)	(1,415,467)
Add: Support provided by the Bank	<u>1,054,157</u>	<u>1,080,330</u>
NET PROFIT ATTRIBUTABLE TO QUASI-EQUITY HOLDERS	<u>1,179,645</u>	<u>1,205,134</u>
OTHER COMPREHENSIVE INCOME		
Items that may be subsequently classified to consolidated statement of income		
Share in the reserve attributable to quasi-equity	<u>(324)</u>	<u>2,139</u>
TOTAL OTHER COMPREHENSIVE INCOME	<u>(324)</u>	<u>2,139</u>
TOTAL PROFIT ATTRIBUTABLE TO QUASI-EQUITY	<u>1,179,321</u>	<u>1,207,273</u>



INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-month period ended 31 March 2025

	Share capital	Legal reserve	Risk reserve	General reserve	Fair value reserve	Foreign currency translation reserve	Other reserves	Retained earnings	Total equity attributable to equity holders of the Bank	Non-controlling interests	Sukuk eligible as additional capital	Total equity
	QAR'000											
Balance at 1 January 2025	2,362,932	6,370,016	3,102,283	81,935	(88,969)	(661,941)	216,820	15,774,256	27,157,332	613,512	4,000,000	31,770,844
Net profit for the period	-	-	-	-	-	-	-	985,089	985,089	(4,945)	-	980,144
Other comprehensive income/ (loss)	-	-	-	-	(20,480)	30,224	-	-	9,744	(1,717)	-	8,027
Total comprehensive income for the period	-	-	-	-	(20,480)	30,224	-	985,089	994,833	(6,662)	-	988,171
Cash dividend for the year 2024 (Note 15)	-	-	-	-	-	-	-	(1,299,613)	(1,299,613)	-	-	(1,299,613)
Movement in non-controlling interests	-	-	-	-	-	-	-	-	-	2,226	-	2,226
Loss on settlement of equity type investments	-	-	-	-	-	-	-	(294)	(294)	(153)	-	(447)
Balance at 31 March 2025 (Reviewed)	2,362,932	6,370,016	3,102,283	81,935	(109,449)	(631,717)	216,820	15,459,438	26,852,258	608,923	4,000,000	31,461,181
Balance at 1 January 2024	2,362,932	6,370,016	2,952,553	81,935	(18,637)	(577,340)	216,820	14,003,483	25,391,762	625,376	4,000,000	30,017,138
Net profit for the period	-	-	-	-	-	-	-	955,144	955,144	(5,311)	-	949,833
Other comprehensive income / (loss)	-	-	-	-	6,568	(8,679)	-	-	(2,111)	4,501	-	2,390
Total comprehensive income for the period	-	-	-	-	6,568	(8,679)	-	955,144	953,033	(810)	-	952,223
Cash dividends paid to equity holders (Note 15)	-	-	-	-	-	-	-	(1,713,126)	(1,713,126)	-	-	(1,713,126)
Movement in non-controlling interests	-	-	-	-	-	-	-	-	-	(148)	-	(148)
Loss on settlement of equity type investments	-	-	-	-	-	-	-	(2,326)	(2,326)	(1,218)	-	(3,544)
Balance at 31 March 2024 (Reviewed)	2,362,932	6,370,016	2,952,553	81,935	(12,069)	(586,019)	216,820	13,243,175	24,629,343	623,200	4,000,000	29,252,543

ERNST & YOUNG

Doha - Qatar

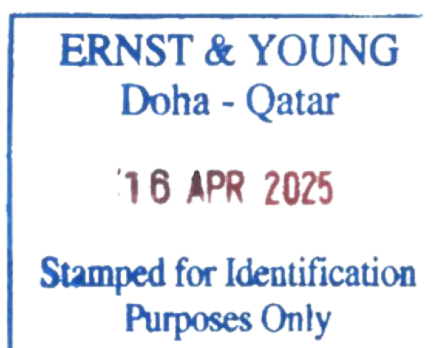
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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three-month period ended 31 March 2025

	<i>For the three-month period ended 31 March</i>	
	<i>2025</i>	<i>2024</i>
	<i>(Reviewed) QAR'000</i>	<i>(Reviewed) QAR'000</i>
Operating activities		
Net profit for the period before tax from continuing and discontinued operations	986,796	955,627
Net changes in operating assets and liabilities	(2,811,473)	2,693,077
Net cash flows (used in)/ from operating activities	(1,824,677)	3,648,704
Investing activities		
Net changes in investment securities	46,837	(505,133)
Net changes in fixed assets	(23,926)	(13,757)
Net changes in associate companies	-	50,772
Net changes in investment properties	-	(749)
Dividends received from investment securities	8,461	34,349
Dividends received from associate companies	7,500	9,451
Net cash flows from/ (used in) investing activities	38,872	(425,067)
Financing activities		
Change in participatory investment accounts	8,392,087	1,666,034
Net movement from sukuk financing	(2,712,000)	(3,094,000)
Net movement in non-controlling interests	356	3,135
Cash dividend paid to equity holders of the Bank	(1,299,613)	(1,713,126)
Net cash flows from/ (used in) financing activities	4,380,830	(3,137,957)
Net increase in cash and cash equivalents	2,595,025	85,680
Cash and cash equivalents - beginning of the period	4,879,049	4,608,722
Cash and cash equivalents - end of the period (Note 16)	7,474,074	4,694,402

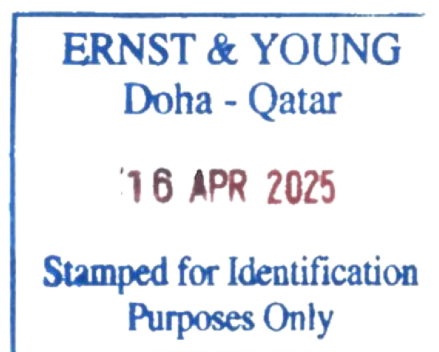


INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OFF-BALANCE SHEET ASSETS UNDER MANAGEMENT

For the three-month period ended 31 March 2025

<i>Investment</i>	<i>Movements during the period</i>						<i>At 31 March 2025 (Reviewed)</i>
	<i>At 1 January 2025</i>	<i>Investments</i>	<i>Revaluation</i>	<i>Gross income</i>	<i>Dividends paid</i>	<i>Bank's fee as an agent</i>	
----- <i>QAR'000</i> -----							
Real Estate Portfolio	9,100	-	-	-	-	-	9,100
Equity Securities Portfolio	1,420	-	-	-	-	-	1,420
	10,520	-	-	-	-	-	10,520

<i>Investment</i>	<i>Movements during the period</i>						<i>At 31 March 2024 (Reviewed)</i>
	<i>At 1 January 2024</i>	<i>Investments</i>	<i>Revaluation</i>	<i>Gross income</i>	<i>Dividends paid</i>	<i>Bank's fee as an agent</i>	
----- <i>QAR'000</i> -----							
Real Estate Portfolio	9,100	-	-	-	-	-	9,100
Equity Securities Portfolio	337,210	(6,683)	(5,180)	877	(9,147)	(14)	317,063
	346,310	(6,683)	(5,180)	877	(9,147)	(14)	326,163



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended 31 March 2025

1 REPORTING ENTITY

Qatar Islamic Bank Q.P.S.C. (“QIB” or the “Bank”) is an entity domiciled in the State of Qatar and was incorporated on 8 July 1982 as a Qatari Public Shareholding Company under Emiri Decree no. 45 of 1982. The commercial registration number of the Bank is 8338. The address of the Bank’s registered office is at P.O. Box 559, Doha, State of Qatar. The interim condensed consolidated financial statements of the Bank for the three-month period ended 31 March 2025 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 shari’ah rules as determined by shari’ah supervisory board of the Bank and has 21 branches in Qatar and one branch in Sudan. The Parent Company of the Group is Qatar Islamic Bank (Q.P.S.C.). The Bank’s shares are listed for trading on the Qatar Exchange.

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

	<i>Country of Incorporation</i>	<i>Principal Business Activity</i>	<i>Effective percentage of ownership</i>	
			<i>31 March 2025</i>	<i>31 December 2024</i>
Arab Finance House	Lebanon	Banking	99.99%	99.99%
Aqar Real Estate Development and Investment Company W.L.L.(“Aqar”) (i)	Qatar	Investment in real estate	49%	49%
Durat Al Doha Real Estate Investment and Development W.L.L.	Qatar	Investment in real estate	82.61%	82.61%
QIB Sukuk Ltd (ii)	Cayman Island	Sukuk issuance	100%	100%
QIB (UK)	United Kingdom	Investment banking	99.71%	99.71%
QInvest LLC	Qatar	Investment banking	65.62%	65.62%
QIB Solutions LLC	Qatar	Management of IT services and operations	100%	100%

Notes:

- i) The Group has majority of the votes in the Board of Directors meetings of Aqar by virtue of representing the highest number of members in the Board. This gives the group the ability to direct the activities of Aqar.
- ii) QIB Sukuk Ltd was incorporated in the Cayman Islands as an exempted company with limited liability for the sole purpose of Sukuk issuance for the benefit of QIB.
- iii) QInvest LLC has been classified as subsidiary held for sale with the intention to sell part of the stake in 2025.

1.1 Shari’ah governance framework

The Group follows Accounting and Auditing Organisation for Islamic Financial Institutions (“AAOIFI”) Governance Standards (GSs) in their entirety along with the regulators’ requirements related to Shari’ah governance / Shari’ah governance framework. In line with the requirements of the same, the Group has a comprehensive governance mechanism comprising of Shari’ah supervisory board, Shari’ah compliance function, internal Shari’ah audit, external Shari’ah audit, etc. These functions perform their responsibilities in line with AAOIFI GSs as well as the regulators’ requirements related to Shari’ah governance.

The GSs also require the Board of Directors and those charged with governance to discharge their duties in line with Shari’ah governance and fiduciary responsibilities.

1.2 Shari’ah principles and rules

The Group follows the hierarchy of Shari’ah principles and rules as defined in paragraph 165 of FAS 1 “General Presentation and Disclosures in the Financial Statements”.

2 BASIS OF PREPARATION

(a) Statement of compliance

The interim condensed consolidated financial statements have been prepared in accordance with Financial Accounting Standards (“FAS 41 Interim Financial Reporting”) issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (“AAOIFI”) as modified by the Qatar Central Bank (“QCB”).

In line with the requirements of AAOIFI, for matters that are not covered by FAS, the Group uses the guidance from the relevant IFRS accounting standards as issued by the International Accounting Standards Board (“IASB”).

The interim condensed consolidated financial statements do not contain all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2024. In addition, results for the three-month period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

(b) Estimates and judgements

The preparation of the interim condensed consolidated financial statements in conformity with FAS issued by AAOIFI as modified by QCB, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. In preparing the interim condensed consolidated financial information, significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2024.

(c) Financial risk management

The Group’s financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2024.

(d) Material accounting policy information

The material accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024.

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

- **FAS 45 – Quasi-Equity (Including Investment Accounts)**

AAOIFI has issued FAS 45 in 2023. This standard prescribes the principles of financial reporting related to the participatory investment instruments (including investment accounts) in which an Islamic financial institution controls the underlying assets (mostly, as a working partner), on behalf of the stakeholders other than the owners’ equity. Such instruments (including, in particular, the unrestricted investment accounts) normally qualify for on-balance-sheet accounting and are reported as quasi-equity. This standard also provides the overall criteria for on-balance-sheet accounting for participatory investment instruments and quasi-equity, as well as, pooling, recognition, derecognition, measurement, presentation and disclosure for quasi-equity. It further addresses financial reporting related to other quasi-equity instruments and certain specific issues. This standard shall be effective for the financial reporting periods beginning on or after 1 January 2026.

2 BASIS OF PREPARATION (CONTINUED)

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

- **FAS 46 – Off-Balance sheet Assets Under Management**

AAOIFI has issued FAS 46 in 2023. This standard prescribes the criteria for characterisation of off-balance sheet assets under management, and the related principles of financial reporting in line with the “AAOIFI Conceptual Framework for Financial Reporting”. The standard encompasses the aspects of recognition, derecognition, measurement, selection and adoption of accounting policies, related to off-balance-sheet assets under management, as well as certain specific aspects of financial reporting such as impairment and onerous commitments by the institution. The standard also includes the presentation and disclosure requirements particularly aligning the same with the requirements of the revised FAS 1 “General Presentation and Disclosures in the Financial Statements” in respect of the statement of changes in off-balance sheet assets under management. This standard, along with, FAS 45 “Quasi-Equity (Including Investment Accounts)”, supersedes the earlier FAS 27 “Investment Accounts”. This standard shall be effective for the financial periods beginning on or after 1 January 2026 and shall be adopted at the same time of adoption of FAS 45 – Quasi-Equity (Including Investment Accounts).

- **FAS 47 – Transfer of Assets Between Investment Pools**

AAOIFI has issued FAS 47 in 2023. This standard prescribes the financial reporting principles and disclosure requirements applicable to all transfers between investment pools related to (and where material, between significant categories of) owners’ equity, quasi-equity and off-balance sheet assets under management of an institution. It requires adoption and consistent application of accounting policies for such transfers in line with Shari’ah principles and rules and describes general disclosure requirements in this respect. This standard shall be effective for the financial periods beginning or after 1 January 2026 and supersedes the earlier FAS 21 “Disclosure on Transfer of Assets”.

- **FAS 48 – Promotional Gifts and Prizes**

AAOIFI has issued FAS 48 in 2024. This standard prescribes accounting and financial reporting principles for recognition, measurement, presentation and disclosures applicable to promotional gifts and prizes awarded by the Islamic financial institutions to their customers, including quasi-equity and other investment accountholders. This standard shall be effective on the financial statements for the annual financial reporting period beginning on or after 1 January 2026.

- **FAS 49 – Financial Reporting for Institutions Operating in Hyperinflationary Economies**

AAOIFI has issued FAS 49 in 2024. This standard outlines the principles governing financial reporting, including accounting treatments, presentation of financial statements and necessary disclosures for institutions applying AAOIFI Financial Accounting Standards (FAS), operating within hyperinflationary economies. This standard is developed taking into account the applicable Shari’ah principles and rules, as well as, the unique business models of such institutions while stipulating appropriate principles of financial reporting. The standard also prescribes a definition of a hyperinflationary economy and provides guidance on as to how to determine whether an economy qualifies as hyperinflationary. This standard shall be effective for the financial periods beginning on or after 1 January 2026.

- **FAS 50 – Financial Reporting for Islamic Investment Institutions (Including Investment Funds)**

AAOIFI has issued FAS 50 in 2024. This standard outlines financial reporting principles applicable to the Islamic investment institutions (IIIs). In particular, it emphasises on bringing harmony and standardisation with regard to the form and contents of the financial statements of IIIs. This standard prescribes the overall requirements for the presentation, minimum contents and recommended structure of their financial statements in a manner that facilitates truthful and fair presentation in line with Shari’ah principles and rules. This standard shall be effective for the annual financial statements of an III beginning on or after 1 January 2027.

(f) Key changes to the significant estimates and judgements

Investment classification

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

2 BASIS OF PREPARATION (CONTINUED)

(g) Adoption of QCB circular 12/2020

Measurement of equity-type instruments classified as fair value through other comprehensive income

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

3 OPERATING SEGMENTS

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

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

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

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

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

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

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

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

<i>31 March 2025 (Reviewed)</i>	<i>Corporate banking QAR'000</i>	<i>Personal banking QAR'000</i>	<i>Group function QAR'000</i>	<i>Local & international subsidiaries QAR'000</i>	<i>Total QAR'000</i>
External revenue:					
Total income from financing and investing activities, net	1,867,436	578,284	20,525	92,507	2,558,752
Net fee and commission income	69,762	103,472	30,972	3,426	207,632
Net foreign exchange gain	-	-	10,779	355	11,134
Share of results of associates	-	-	17,948	-	17,948
Other income	-	-	1,817	1,062	2,879
Total income	1,937,198	681,756	82,041	97,350	2,798,345
Net profit attributable to quasi-equity holders	(655,369)	(338,102)	(132,669)	(53,505)	(1,179,645)
Inter segment (cost) revenue	(769,281)	266,359	502,922	-	-
Reportable segment net profit after tax	254,367	397,656	318,133	9,988	980,144
<i>31 March 2024 (Reviewed)</i>	<i>Corporate banking QAR'000</i>	<i>Personal banking QAR'000</i>	<i>Group function QAR'000</i>	<i>Local & international subsidiaries QAR'000</i>	<i>Total QAR'000</i>
External revenue:					
Total income from financing and investing activities, net	1,956,124	507,129	(2,616)	98,659	2,559,296
Net fee and commission income	75,132	89,738	43,076	2,234	210,180
Net foreign exchange gain	-	-	9,239	-	9,239
Share of results of associates	-	-	13,526	-	13,526
Other income	-	-	-	2,232	2,232
Total income	2,031,256	596,867	63,225	103,125	2,794,473
Net profit attributable to quasi-equity holders	(644,091)	(341,987)	(166,349)	(52,707)	(1,205,134)
Inter segment (cost) revenue	(795,693)	257,438	538,255	-	-
Reportable segment net profit after tax	229,065	346,915	411,217	(37,364)	949,833

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As at and for the period ended 31 March 2025

3 OPERATING SEGMENTS (CONTINUED)*31 March 2025 (Reviewed)*

	<i>Corporate banking QAR'000</i>	<i>Personal banking QAR'000</i>	<i>Group function QAR'000</i>	<i>Local & international subsidiaries QAR'000</i>	<i>Total QAR'000</i>
Reportable segment assets	129,283,004	29,452,151	45,005,425	7,857,512	211,598,092
Reportable segment liabilities and quasi-equity	67,965,784	59,008,843	45,596,503	7,565,781	180,136,911

31 December 2024 (Audited)

	<i>Corporate banking QAR'000</i>	<i>Personal banking QAR'000</i>	<i>Group function QAR'000</i>	<i>Local & international subsidiaries QAR'000</i>	<i>Total QAR'000</i>
Reportable segment assets	123,210,196	28,767,736	41,417,143	7,384,701	200,779,776
Reportable segment liabilities and quasi-equity	61,423,711	57,395,208	42,753,106	7,436,907	169,008,932

4 FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS

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

	<i>Fair value through other comprehensive income</i>	<i>Fair value through income statement</i>	<i>Amortised cost QAR'000</i>	<i>Total carrying amount</i>	<i>Fair value</i>
	-----	-----	-----	-----	-----
31 March 2025 (Reviewed)					
Cash and balances with central banks	-	-	9,192,065	9,192,065	9,192,065
Due from banks	-	-	5,530,736	5,530,736	5,530,736
Investment securities					
- Equity type instruments	1,127,676	263,772	-	1,391,448	1,391,448
- Debt type instruments	1,827,742	704,611	49,347,760	51,880,113	51,852,869
Other assets	-	-	80,003	80,003	80,003
Assets held for sale	-	-	5,429,553	5,429,553	5,429,553
	2,955,418	968,383	69,580,117	73,503,918	73,476,674
Due to banks	-	-	28,438,971	28,438,971	28,438,971
Customers' current accounts	-	-	16,496,194	16,496,194	16,496,194
Sukuk financing	-	-	11,031,129	11,031,129	11,031,129
Other liabilities	-	-	3,529,516	3,529,516	3,529,516
Liabilities directly associated with assets held for sale	-	-	3,683,376	3,683,376	3,683,376
Quasi-equity	-	-	116,957,725	116,957,725	116,957,725
	-	-	180,136,911	180,136,911	180,136,911
31 December 2024 (Audited)					
Cash and balances with central banks	-	-	8,683,066	8,683,066	8,683,066
Due from banks	-	-	2,488,250	2,488,250	2,488,250
Investment securities					
- Equity type instruments	1,145,552	263,334	-	1,408,886	1,408,886
- Debt type instruments	1,821,020	638,145	49,140,195	51,599,360	51,615,756
Other assets	-	-	222,067	222,067	222,067
Assets held for sale	-	-	5,188,045	5,188,045	5,188,045
	2,966,572	901,479	65,721,623	69,589,674	69,606,070
Due to banks	-	-	24,017,183	24,017,183	24,017,183
Customers' current accounts	-	-	16,429,048	16,429,048	16,429,048
Sukuk financing	-	-	13,741,520	13,741,520	13,741,520
Other liabilities	-	-	2,825,744	2,825,744	2,825,744
Liabilities directly associated with assets held for sale	-	-	3,429,799	3,429,799	3,429,799
Quasi-equity	-	-	108,565,638	108,565,638	108,565,638
	-	-	169,008,932	169,008,932	169,008,932

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 As at and for the period ended 31 March 2025

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 2,462 million (31 December 2024: QAR 1,628 million) for which the fair value amounts to QAR 2,430 million (31 December 2024: QAR 1,589 million), which is derived using Level 1 fair value hierarchy.

Fair value hierarchy

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

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

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active, other valuation techniques where all significant inputs are directly or indirectly observable from market data.; and

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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

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

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

As at 31 March 2025 and 31 December 2024, the Group held the following financial instruments measured at fair value:

<i>31 March 2025 (Reviewed)</i>	<i>Fair value measurement using</i>			
	<i>Total</i>	<i>Quoted prices in active markets (Level 1)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Significant unobservable inputs (Level 3)</i>
Shari'a compliant risk management instruments (assets)	38,633	-	38,633	-
Investments securities				
Quoted equity-type classified as FVTIS	263,772	263,772	-	-
Unquoted debt-type classified as FVTIS	704,611	-	704,611	-
Quoted equity-type classified as FVTOCI	1,016,036	1,016,036	-	-
Unquoted equity-type classified as FVTOCI	111,640	-	37,639	74,001
Quoted debt-type investments classified as FVTOCI	1,102,519	-	1,102,519	-
Unquoted debt-type investments classified as FVTOCI	725,223	-	725,223	-
Shari'a compliant risk management instruments (liabilities)	310,336	-	310,336	-

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 As at and for the period ended 31 March 2025

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

31 December 2024 (Audited)	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Shari'a compliant risk management instruments (assets)	26,291	-	26,291	-
Investments securities				
Quoted equity-type classified as FVTIS	263,334	263,334	-	-
Unquoted debt-type classified as FVTIS	638,145	-	638,145	-
Quoted equity-type classified as FVTOCI	1,034,075	1,034,075	-	-
Unquoted equity-type classified as FVTOCI	111,477	-	36,914	74,563
Quoted debt-type investments classified as FVTOCI	1,100,944	-	1,100,944	-
Unquoted debt-type investments classified as FVTOCI	720,076	-	720,076	-
Shari'a compliant risk management instruments (liabilities)	374,526	-	374,526	-

FVTIS – Fair value through income statement

FVTOCI – Fair value through other comprehensive income

Transfers within the fair value hierarchy

During the period ended 31 March 2025 and year ended 31 December 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The valuation technique in measuring the fair value financial instruments categorized as Level 3 was in line with 31 December 2024.

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

	At 1 January 2025	Total gain recorded in interim consolidated statement of income / equity	Purchases	Sales / transfers	At 31 March 2025 (Reviewed)
	QAR'000				
Equity investments:					
at FVTOCI	74,563	-	-	(562)	74,001
	74,563	-	-	(562)	74,001

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 As at and for the period ended 31 March 2025

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

	<i>At 1 January 2024</i>	<i>Total gain recorded in interim consolidated statement of income / equity</i>	<i>Purchases</i>	<i>Sales/ transfers</i>	<i>At 31 December 2024 (Audited)</i>
	----- QAR'000 -----				
Equity investments:					
at FVTOCI	410,622	-	-	(336,059)	74,563
at FVTIS	1,270,314	-	-	(1,270,314)	-
Financing assets classified as FVTIS	452,317	-	-	(452,317)	-
	<u>2,133,253</u>	<u>-</u>	<u>-</u>	<u>(2,058,690)</u>	<u>74,563</u>

5 IMPAIRMENT
Equity-type investments classified as fair value through other comprehensive income

With effect from the issuance of QCB circular 12/2020, equity type instruments classified as fair value through other comprehensive income are not tested for impairment. However prior to that, equity-type investments classified as fair value through other comprehensive income and measured at fair value, a significant or prolonged decline in the fair value of an investment below its cost is considered in determining whether the investments are impaired. If any such evidence exists for equity-type investments classified as fair value through other comprehensive income, the cumulative loss previously recognised in the interim consolidated statement of comprehensive income is transferred to the interim consolidated statement of income. Impairment losses recognised in the interim consolidated statement of income on equity-type investments are subsequently reversed through equity.

Investment properties

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

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

For financial assets carried at amortised cost, impairment is recognised based on FAS 30 provided that such impairments are not less than QCB impairment requirements. Losses are recognised in interim consolidated statement of income and reflected in an allowance account. The Group has provided QAR 357.5 million (31 March 2024: QAR 361.6 million) as impairment on financing assets, other assets and other provisions in the interim consolidated statement of income.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended 31 March 2025

6 FINANCING ASSETS

	<i>31 March 2025 (Reviewed) QAR'000</i>	<i>31 December 2024 (Audited) QAR'000</i>	<i>31 March 2024 (Reviewed) QAR'000</i>
Total financing assets	163,699,555	157,976,129	154,313,346
Less: Deferred profit	(23,929,874)	(24,953,359)	(22,199,467)
Expected credit losses on financing assets - performing (Stage 1 and 2) *	(5,676,435)	(5,398,350)	(5,399,141)
Allowance for impairment on financing assets – credit impaired (Stage 3) *	(2,277,618)	(2,289,858)	(1,984,652)
Suspended profit	(62,554)	(60,546)	(74,897)
Net financing assets	<u>131,753,074</u>	<u>125,274,016</u>	<u>124,655,189</u>

Note:

The impaired financing assets net of deferred profit amounted to QAR 2,464 million as at 31 March 2025 representing 1.76% of the total financing assets net of deferred profit (31 December 2024: QAR 2,475 million, representing 1.86% of the total financing assets net of deferred profit).

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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7 INVESTMENT SECURITIES

	31 March 2025 (Reviewed)			31 December 2024 (Audited)			31 March 2024 (Reviewed)		
	Quoted QAR'000	Unquoted QAR'000	Total QAR'000	Quoted QAR'000	Unquoted QAR'000	Total QAR'000	Quoted QAR'000	Unquoted QAR'000	Total QAR'000
Classified as fair value through income statement									
• equity type	263,772	-	263,772	263,334	-	263,334	251,656	1,349,804	1,601,460
• debt-type – Fixed rate	-	704,611	704,611	-	638,145	638,145	-	636,831	636,831
	263,772	704,611	968,383	263,334	638,145	901,479	251,656	1,986,635	2,238,291
Debt-type classified at amortised cost									
- State of Qatar Sukuk and QCB Murabaha	-	46,885,918	46,885,918	-	46,884,016	46,884,016	-	40,080,106	40,080,106
- Fixed rate	2,468,681	34,393	2,503,074	2,263,221	34,394	2,297,615	2,039,006	102,207	2,141,213
Less: allowance for impairment*	(6,880)	(34,352)	(41,232)	(7,084)	(34,352)	(41,436)	(7,341)	(98,138)	(105,479)
	2,461,801	46,885,959	49,347,760	2,256,137	46,884,058	49,140,195	2,031,665	40,084,175	42,115,840
Classified as fair value through other comprehensive income									
• equity type	1,016,036	111,640	1,127,676	1,034,075	111,477	1,145,552	1,467,569	1,110,733	2,578,302
• debt-type – Fixed rate	1,102,519	725,223	1,827,742	1,100,944	720,076	1,821,020	1,109,498	708,548	1,818,046
	2,118,555	836,863	2,955,418	2,135,019	831,553	2,966,572	2,577,067	1,819,281	4,396,348
	4,844,128	48,427,433	53,271,561	4,654,490	48,353,756	53,008,246	4,860,388	43,890,091	48,750,479

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

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8 PARTICIPATORY INVESTMENT ACCOUNTS

	<i>31 March 2025 (Reviewed) QAR'000</i>	<i>31 December 2024 (Audited) QAR'000</i>	<i>31 March 2024 (Reviewed) QAR'000</i>
Term accounts	93,957,334	87,351,811	87,099,876
Saving accounts	20,656,993	19,416,431	18,368,541
Call accounts	2,289,759	1,743,433	2,323,339
	116,904,086	108,511,675	107,791,756
Share in reserve attributable to quasi-equity	53,639	53,963	60,693
Total	116,957,725	108,565,638	107,852,449

All participatory investment accounts are unrestricted as of 31 March 2025, 31 December 2024, and 31 March 2024.

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 (as amended by Law No. 8 of 2021) 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 2024: QAR 150 million was transferred to risk reserve).

11 GENERAL RESERVE

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

12 BASIC AND DILUTED EARNINGS PER SHARE

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

	<i>For the three-month period ended 31 March</i>	
	<i>2025 (Reviewed)</i>	<i>2024 (Reviewed)</i>
Profit for the period attributable to equity holders of the Bank (<i>QAR'000</i>)	985,089	955,144
Weighted average number of shares outstanding during the period (<i>'000</i>)	2,362,932	2,362,932
Basic and diluted earnings per share (<i>QAR</i>)	0.42	0.40

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

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13 FOREIGN CURRENCY TRANSLATION RESERVE

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

14 SUKUK ELIGIBLE AS ADDITIONAL CAPITAL

During 2015, the Group issued perpetual Sukuk eligible as additional tier 1 capital for an amount of QAR 2 billion. The Sukuk is unsecured and the profit distributions are discretionary, non-cumulative and payable annually at an agreed expected profit based on applicable relevant six year reset rate + margin to be reset every sixth year. During 2021 the first reset period lapsed and a new profit rate has been reset for the coming six years. The Group has the right not to pay profit and the Sukuk holders have no right to claim profit on the Sukuk. The Sukuk does not have a maturity date and have been classified as equity. During September 2016, the Group raised additional tier 1 capital by issuing a perpetual Sukuk for an amount of QAR 2 billion at an agreed expected profit rate based on applicable relevant six year reset rate + margin to be reset every sixth year. By end of December 2022, the first reset period lapsed and a new profit rate has been reset with effect from 1 January 2023 for the coming six years.

15 DIVIDENDS

The equity holders of the Bank approved additional cash dividend of 55% of the paid-up share capital (QAR 0.55 per share) amounting to QAR 1,299.6 million for the year ended 31 December 2024 in the general assembly meeting held on 26 February 2025, thereby taking the total cash dividend for the year ended 31 December 2024 to 80% of the paid up share capital amounting to QAR 1,890.3 million – QAR 0.80 per share (2023: 72.5% of the paid up share capital amounting to QAR 1,713.1 million – QAR 0.725 per share).

The Board of Directors had approved an interim cash dividend in respect of the six-month period ended 30 June 2024 of QAR 0.25 per share, amounting to a total of QAR 590.7 million. The same has been paid to shareholders in 2024.

16 CASH AND CASH EQUIVALENTS

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

	<i>31 March 2025 (Reviewed) QAR'000</i>	<i>31 December 2024 (Audited) QAR'000</i>	<i>31 March 2024 (Reviewed) QAR'000</i>
Cash and balances with central banks (excluding restricted QCB and other central banks reserve account)	2,749,437	2,270,158	3,090,551
Due from banks	4,181,516	2,353,849	1,603,851
Cash and bank balances, and due from banks attributable to discontinued operations	543,121	255,042	-
Total	7,474,074	4,879,049	4,694,402

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17 CONTINGENT LIABILITIES AND COMMITMENTS

	<i>31 March 2025 (Reviewed) QAR'000</i>	<i>31 December 2024 (Audited) QAR'000</i>	<i>31 March 2024 (Reviewed) QAR'000</i>
a) Contingent liabilities			
Unutilised financing facilities	8,703,632	8,434,271	8,958,035
Guarantees	11,465,843	10,470,912	9,199,616
Letters of credit	628,448	740,849	751,097
	<u>20,797,923</u>	<u>19,646,032</u>	<u>18,908,748</u>
b) Commitments			
Investment commitment	-	-	328,079
Total	<u>20,797,923</u>	<u>19,646,032</u>	<u>19,236,827</u>

18 RELATED PARTY TRANSACTIONS

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

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

	<i>31 March 2025 (Reviewed)</i>		<i>31 December 2024 (Audited)</i>	
	<i>Associate companies QAR'000</i>	<i>Board of Directors QAR'000</i>	<i>Associate companies QAR'000</i>	<i>Board of Directors QAR'000</i>
Assets:				
Financing assets	2,777,765	20,607,838	2,834,897	20,576,868
Liabilities:				
Customers' current accounts	560	297,636	504	241,329
Quasi Equity:				
Participatory investment accounts	265,158	972,148	250,330	990,549
Off balance sheet items:				
Contingent liabilities and commitments	-	78,479	-	83,860
	<i>31 March 2025 (Reviewed)</i>		<i>31 March 2024 (Reviewed)</i>	
	<i>Associate companies QAR'000</i>	<i>Board of Directors QAR'000</i>	<i>Associate companies QAR'000</i>	<i>Board of Directors QAR'000</i>
Interim consolidated statement of income items:				
Income from financing activities	43,157	370,256	55,430	407,863
Net profit attributable to quasi-equity holders	1,708	11,753	1,781	16,894
Net fee and commission income	2	12,525	5,840	2,953

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18 RELATED PARTY TRANSACTIONS (CONTINUED)

Key management personnel compensation for the period comprised:

	31 March 2025 (Reviewed) QAR'000	31 March 2024 (Reviewed) QAR'000
Key management remuneration	<u>24,510</u>	<u>26,239</u>

19 CAPITAL ADEQUACY RATIO

As per Qatar Central Bank regulations, the Group has calculated the capital adequacy ratios in accordance with the new Basel III guidelines starting from the period ended 31 March 2024. 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 15.03%.

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:

	31 March 2025 QAR'000 (Reviewed)	31 December 2024 QAR'000 (Audited)	31 March 2024 QAR'000 (Reviewed)
Common Equity Tier 1 (CET 1) Capital	<u>26,930,739</u>	<u>25,921,175</u>	<u>24,658,564</u>
Tier 1 capital	<u>4,056,673</u>	<u>29,975,566</u>	<u>4,052,730</u>
Tier 2 capital	<u>1,783,250</u>	<u>1,759,534</u>	<u>1,665,450</u>
Total regulatory capital	<u>32,770,662</u>	<u>31,735,100</u>	<u>30,376,744</u>
Risk weighted assets	<u>152,972,164</u>	<u>151,768,100</u>	<u>146,453,782</u>
Common equity tier 1 (CET 1) capital adequacy ratio	17.6%	17.1%	16.8%
QCB minimum	8.50%	8.50%	8.5%
Total capital adequacy ratio	21.4%	20.9%	20.7%
QCB minimum including conservation buffer, DSIB and ICAAP pillar II capital charge	15.03%	15.03%	14.56%

The above ratios are calculated based on total regulatory capital, net of interim dividends.

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

	31 March 2025			Total	31 March 2024
	Stage 1	Stage 2	Stage 3		
	----- QAR'000 -----				
Exposures subject to expected credit losses					
Due from central banks	7,594,049	-	748,668	8,342,717	6,992,674
Due from banks	5,466,544	64,414	19,665	5,550,623	1,782,729
Debt type investments carried at amortised cost	49,347,363	-	41,629	49,388,992	42,221,319
Financing assets*	119,219,029	18,086,519	2,401,579	139,707,127	132,038,982
Off balance sheet exposures subject to credit risk	19,297,082	1,353,978	146,863	20,797,923	18,908,748
	<u>200,924,067</u>	<u>19,504,911</u>	<u>3,358,404</u>	<u>223,787,382</u>	<u>201,944,452</u>
Opening balance of expected credit losses / impairment losses as at 1 January					
Due from central banks	-	-	248,007	248,007	237,572
Due from banks	130	-	19,665	19,795	19,782
Debt type investments carried at amortised cost	943	-	40,493	41,436	105,517
Financing assets	3,924,480	1,473,870	2,289,858	7,688,208	7,019,287
Off balance sheet exposures subject to credit risk	2,508	7,455	102,224	112,187	81,520
	<u>3,928,061</u>	<u>1,481,325</u>	<u>2,700,247</u>	<u>8,109,633</u>	<u>7,463,678</u>
Net transfer between stages					
Due from central banks	-	-	-	-	-
Due from banks	-	-	-	-	-
Debt type investments carried at amortised cost	-	-	-	-	-
Financing assets	(1,234)	(4,887)	6,121	-	-
Off balance sheet exposures subject to credit risk	-	-	-	-	-
	<u>(1,234)</u>	<u>(4,887)</u>	<u>6,121</u>	<u>-</u>	<u>-</u>
Write off / foreign currency and other adjustments for the period					
Due from central banks	-	-	-	-	1,897
Due from banks	-	-	-	-	-
Debt type investments carried at amortised cost	-	-	-	-	-
Financing assets	11	-	6	17	(186)
Off balance sheet exposures subject to credit risk	-	-	-	-	-
	<u>11</u>	<u>-</u>	<u>6</u>	<u>17</u>	<u>1,711</u>
Charge / (reversal) for the period (net)					
Due from central banks	-	-	705	705	-
Due from banks	91	1	-	92	1
Debt type investments carried at amortised cost	(204)	-	-	(204)	(38)
Financing assets	224,412	59,783	(18,367)	265,828	364,692
Off balance sheet exposures subject to credit risk	174	(5,108)	(18,495)	(23,429)	(9,997)
	<u>224,473</u>	<u>54,676</u>	<u>(36,157)</u>	<u>242,992</u>	<u>354,658</u>
Closing balance of expected credit losses / impairment losses - as at 31 March (Reviewed)					
Due from central banks	-	-	248,712	248,712	239,469
Due from banks	221	1	19,665	19,887	19,783
Debt type investments carried at amortised cost	739	-	40,493	41,232	105,479
Financing assets	4,147,669	1,528,766	2,277,618	7,954,053	7,383,793
Off balance sheet exposures subject to credit risk	2,682	2,347	83,729	88,758	71,523
	<u>4,151,311</u>	<u>1,531,114</u>	<u>2,670,217</u>	<u>8,352,642</u>	<u>7,820,047</u>

*net of suspended profit and deferred profit

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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 31 March 2025.

<i>Rating grade</i>	<i>Due from central banks</i>	<i>Due from banks</i>	<i>Debt type investments carried at amortised cost</i>	<i>Financing assets</i>	<i>Off balance sheet exposures subject to credit risk</i>	<i>Total</i>
	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>
AAA to AA-	7,537,155	32,270	47,532,599	15,753,157	1,248,790	72,103,971
A+ to A-	-	5,420,137	1,188,378	4,620,170	441,180	11,669,865
BBB to BBB-	-	12,293	98,301	88,601,225	15,597,554	104,309,373
BB+ to B-	-	8,112	450,246	21,894,076	3,484,476	25,836,910
Unrated	805,562	77,811	119,468	8,838,499	25,923	9,867,263
Total	8,342,717	5,550,623	49,388,992	139,707,127	20,797,923	223,787,382

21 ASSET AND LIABILITIES HELD FOR SALE

On 31 December 2024, the Group's Board of Directors decided to partially sell QInvest LLC, a partially owned subsidiary, which is authorised by QFCRA to conduct various banking activities.

The sale of QInvest LLC is expected to be completed within a year from 31 December 2024. At 31 December 2024, QInvest LLC was classified as a disposal group held for sale and measured at fair value less cost to sell.

The major classes of assets and liabilities, and statement of income of QInvest LLC as held for sale as at 31 March 2025 are, as follows:

<i>Assets</i>	<i>31 March 2025</i>	<i>31 Dec 2024</i>
	<i>QAR'000</i>	<i>QAR'000</i>
Due from banks	543,121	292,532
Financing assets	478,630	448,943
Investment securities	3,077,532	3,062,841
Investment in associates	53,955	55,593
Investment properties	926,024	918,939
Fixed assets	265	562
Intangible assets	351	1,758
Other assets	133,619	190,821
Goodwill	216,056	216,056
Assets held for sale	5,429,553	5,188,045
Liabilities		
Due to banks	3,375,380	3,061,952
Other liabilities	307,996	367,847
Liabilities directly associated with assets held for sale	3,683,376	3,429,799
Net assets directly associated with disposal group	1,746,177	1,758,246

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21 ASSET AND LIABILITIES HELD FOR SALE (CONTINUED)

Statement of Income	31 March 2025 QAR'000	31 March 2024 QAR'000
Total income from financing and investing activities	<u>6,517</u>	<u>22,875</u>
Net fee and commission income	<u>408</u>	<u>446</u>
Total income	<u>17,502</u>	<u>23,338</u>
Total expenses	<u>(25,042)</u>	<u>(33,253)</u>
Net profit after tax for the period from discontinued operations	<u>(7,540)</u>	<u>(9,915)</u>

22 TAXATION

On March 27, 2025, the State of Qatar published amendments to the Income Tax Law No. (24) of 2018 in the Official Gazette. These amendments introduce an Income Inclusion Rule (IIR) and a Domestic Minimum Top-up Tax (DMTT) applicable to multinational groups, in accordance with the Base Erosion and Profit Shifting (BEPS) Pillar Two Anti-Global Erosion (GloBE) framework. The GloBE rules will take effect for accounting periods beginning on January 1, 2025.

These rules incorporate various mechanisms designed to ensure that qualifying multinational enterprises maintain a minimum effective tax rate of 15%, calculated on the excess taxable profits in each jurisdiction where the group operates. Additional guidelines concerning deadlines and administrative processes are anticipated to be released in the Executive Regulations, which have not yet been published or become effective as of the date of the approval of the financial statements.

Based on the impact assessment performed by the Group, it may be able to meet certain reliefs and may not be required to pay additional taxes for the year under these tax rules. However, the Executive Regulations detailing the requirements and conditions for such relief are not enacted yet as of the date of the approval of the financial statements., therefore if those reliefs are not available due to any reason whatsoever, the tax liability under the GloBE rules for the period ended 31 March 2025 is expected to be QAR 110 million.

23 COMPARATIVE INFORMATION

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