

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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

30 SEPTEMBER 2024

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2024

Contents	Page(s)
Independent auditor's review report	1
Interim consolidated statement of financial position	2
Interim consolidated statement of income	3
Interim consolidated statement of comprehensive income	4
Interim consolidated statement of income and attribution related to quasi-equity	5
Interim consolidated statement of changes in equity	6
Interim condensed consolidated statement of cash flows	7
Interim consolidated statement of changes in off-balance sheet assets under management	8
Notes to the interim condensed consolidated financial statements	9 - 27



ERNST & YOUNG (QATAR BRANCH)
P.O. Box 164
Building No. 36, T-03, 5th Floor
Abdulla Bin Thani Street
Doha Design District
Msheireb Downtown
Doha, State of Qatar

Tel +974 4457 4111
Fax +974 4441 4649
doha@qa.ey.com
ey.com

Licensed by MOCI International Accounting Offices (License No. 4)
Licensed by QFMA: External Auditors (License No. 120154)

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 30 September 2024, comprising of the interim consolidated statement of financial position as at 30 September 2024, the interim consolidated statement of income, interim consolidated statement of comprehensive income, interim consolidated statement of income and attribution related to quasi-equity for the three month and nine month periods then ended and the 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 nine month period then ended, and the related explanatory notes.

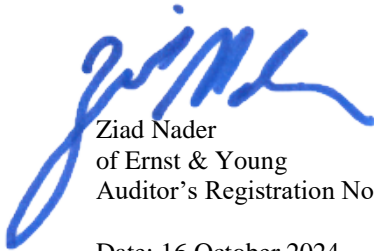
The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with Financial Accounting Standards ("FAS") 41- Interim Financial Reporting issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("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 October 2024
Doha




INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	30 September 2024 (Reviewed) QAR'000	31 December 2023 (Audited) QAR'000	30 September 2023 (Reviewed) QAR'000
ASSETS			
Cash and balances with central banks	7,832,244	8,037,333	6,919,470
Due from banks	4,209,888	3,261,873	2,981,137
Financing assets	6 127,723,476	122,380,843	121,802,379
Investment securities	7 50,299,620	48,013,272	47,391,228
Investment in associates	1,134,658	1,127,659	1,111,218
Investment properties	3,326,107	3,305,864	3,328,157
Fixed assets	516,566	515,525	512,599
Intangible assets	217,814	217,814	217,814
Other assets	2,284,428	2,296,916	2,585,920
TOTAL ASSETS	197,544,801	189,157,099	186,849,922
LIABILITIES, QUASI-EQUITY AND EQUITY			
LIABILITIES			
Due to banks	23,849,293	20,434,099	20,628,624
Customers' current accounts	15,324,973	14,648,105	14,892,301
Sukuk financing	13,774,527	14,668,250	11,882,964
Other liabilities	2,561,798	3,203,092	3,567,444
TOTAL LIABILITIES	55,510,591	52,953,546	50,971,333
QUASI-EQUITY			
Participatory investment accounts	8 111,005,953	106,127,861	106,555,811
Reserves attributable to quasi-equity	8 82,015	58,554	66,608
	111,087,968	106,186,415	106,622,419
EQUITY			
Share capital	2,362,932	2,362,932	2,362,932
Legal reserve	9 6,370,016	6,370,016	6,370,016
Risk reserve	10 2,952,553	2,952,553	2,641,655
General reserve	11 81,935	81,935	81,935
Fair value reserve	(58,218)	(18,637)	67,545
Foreign currency translation reserve	13 (550,160)	(577,340)	(534,875)
Other reserves	216,820	216,820	216,820
Retained earnings	14,962,501	14,003,483	13,390,595
Total equity attributable to equity holders of the bank	26,338,379	25,391,762	24,596,623
Non-controlling interests	607,863	625,376	659,547
Sukuk eligible as additional capital	14 4,000,000	4,000,000	4,000,000
TOTAL EQUITY	30,946,242	30,017,138	29,256,170
TOTAL LIABILITIES, QUASI-EQUITY AND EQUITY	197,544,801	189,157,099	186,849,922
Off-balance sheet assets under management	317,576	346,310	332,348
Contingent liabilities and commitments	17 17,927,284	18,475,981	18,522,833

These interim condensed consolidated financial statements were approved by the Board of Directors on 16 October 2024 and were signed on its behalf by:


 Jassim Bin Hamad Bin Jassim Bin Jaber Al Thani
 Chairman


 Bassel Gannal
 Group Chief Executive Officer

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

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three and nine month periods ended 30 September 2024

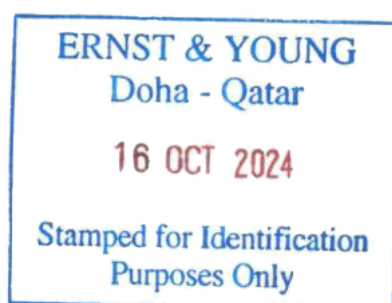
	<i>For the three-month period ended 30 September</i>		<i>For the nine-month period ended 30 September</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>Note (Reviewed) QAR'000</i>	<i>(Reviewed) QAR'000</i>	<i>(Reviewed) QAR'000</i>	<i>(Reviewed) QAR'000</i>
Net income from financing activities	2,431,554	2,202,965	7,099,266	6,259,920
Net income from investing activities	418,629	412,663	1,154,738	1,106,081
Sukuk holders' share of profit	(102,080)	(88,375)	(326,925)	(275,845)
Total income from financing and investing activities, net	2,748,103	2,527,253	7,927,079	7,090,156
Fee and commission income	296,812	301,839	905,006	883,195
Fee and commission expense	(96,872)	(80,667)	(276,117)	(247,108)
Net fee and commission income	199,940	221,172	628,889	636,087
Net foreign exchange gain	11,844	12,310	34,876	49,303
Net share of results of associates	17,371	21,338	47,488	43,247
Other income	831	(342)	1,566	1,027
Total income	2,978,089	2,781,731	8,639,898	7,819,820
Staff costs	(166,036)	(167,623)	(499,621)	(494,606)
Depreciation and amortisation	(18,144)	(16,844)	(50,953)	(58,482)
Other expenses	(98,323)	(91,150)	(302,990)	(271,892)
Total expenses	(282,503)	(275,617)	(853,564)	(824,980)
Net impairment reversals / (losses) on investment securities	55	2	439	(1,130)
Net impairment losses on financing assets	(192,812)	(267,301)	(757,513)	(866,790)
Other impairment losses	(22,390)	(9,035)	(49,870)	(11,100)
Net profit for the period before tax and attribution to quasi-equity	2,480,439	2,229,780	6,979,390	6,115,820
Less: Net profit attributable to quasi-equity holders	(1,279,377)	(1,122,007)	(3,708,059)	(3,050,492)
Net profit for the period before tax	1,201,062	1,107,773	3,271,331	3,065,328
Tax expense	(6,404)	(5,623)	(18,704)	(11,875)
Net profit for the period	1,194,658	1,102,150	3,252,627	3,053,453
Net profit for the period attributable to:				
Equity holders of the Bank	1,199,917	1,099,913	3,265,037	3,055,246
Non-controlling interests	(5,259)	2,237	(12,410)	(1,793)
Net profit for the period	1,194,658	1,102,150	3,252,627	3,053,453
Earnings per share				
Basic / diluted earnings per share (QAR per share)	0.51	0.47	1.38	1.29



INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three and nine month periods ended 30 September 2024

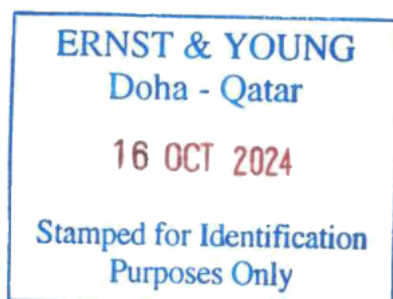
	<i>For the three-month period ended 30 September</i>		<i>For the nine-month period ended 30 September</i>	
	<i>2024 (Reviewed) QAR'000</i>	<i>2023 (Unreviewed) QAR'000</i>	<i>2024 (Reviewed) QAR'000</i>	<i>2023 (Unreviewed) QAR'000</i>
NET PROFIT FOR THE PERIOD	<u>1,194,658</u>	<u>1,102,150</u>	<u>3,252,627</u>	<u>3,053,453</u>
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	50,805	(45,029)	31,744	(26,226)
Items that may be subsequently classified to consolidated statement of income				
Exchange differences arising on translation of foreign operations	35,405	(15,790)	29,407	(154,442)
Fair value changes of debt-type investments classified as FVTOCI	(861)	11,261	3,839	5,603
<i>Net change in the share of other comprehensive income of investment in associates:</i>				
Net change in fair value	133	197	1,439	2,027
Net movement in cash flow hedges – effective portion of changes in fair value	(94,507)	(440)	(108,456)	(66,673)
Fair value changes of investment properties	10,097	1,607	19,400	4,711
Share in the reserve attributable to quasi-equity	17,723	(3,583)	23,461	(10,645)
Total other comprehensive loss for the period	<u>18,795</u>	<u>(51,777)</u>	<u>834</u>	<u>(245,645)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>1,213,453</u>	<u>1,050,373</u>	<u>3,253,461</u>	<u>2,807,808</u>
Total comprehensive income for the period attributable to:				
Equity holders of the Bank	1,209,387	1,050,614	3,252,636	2,819,337
Non-controlling interests	4,066	(241)	825	(11,529)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>1,213,453</u>	<u>1,050,373</u>	<u>3,253,461</u>	<u>2,807,808</u>



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

For the three and nine month periods ended 30 September 2024

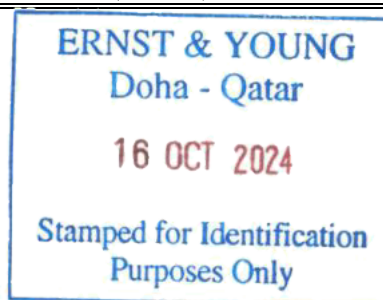
	<i>For the three-month period ended 30 September</i>		<i>For the nine-month period ended 30 September</i>	
	<i>2024 (Reviewed) QAR'000</i>	<i>2023 (Unreviewed) QAR'000</i>	<i>2024 (Reviewed) QAR'000</i>	<i>2023 (Unreviewed) QAR'000</i>
Net profit for the period before attribution to quasi-equity	2,480,439	2,229,780	6,979,390	6,115,820
Less: Income not attributable to quasi-equity	(921,473)	(817,732)	(2,677,519)	(2,396,612)
Add: Expenses not attributable to quasi-equity	208,730	190,249	665,501	634,308
Net profit attributable to quasi-equity holders before Bank's Mudaraba income	1,767,696	1,602,297	4,967,372	4,353,516
Less: Mudarib's share	(1,625,927)	(1,478,697)	(4,569,117)	(4,026,936)
Add: Support provided by the Bank	1,137,608	998,407	3,309,804	2,723,912
NET PROFIT ATTRIBUTABLE TO QUASI-EQUITY HOLDERS	1,279,377	1,122,007	3,708,059	3,050,492
OTHER COMPREHENSIVE INCOME				
Items that may be subsequently classified to consolidated statement of income				
Share in the reserve attributable to quasi-equity	17,723	(3,583)	23,461	(10,645)
TOTAL OTHER COMPREHENSIVE INCOME/ (LOSS)	17,723	(3,583)	23,461	(10,645)
TOTAL PROFIT ATTRIBUTABLE TO QUASI-EQUITY	1,297,100	1,118,424	3,731,520	3,039,847



INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 30 September 2024

	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 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	-	-	-	-	-	-	-	3,265,037	3,265,037	(12,410)	-	3,252,627
Other comprehensive income/ (loss)	-	-	-	-	(39,581)	27,180	-	-	(12,401)	13,235	-	834
Total comprehensive income for the period	-	-	-	-	(39,581)	27,180	-	3,265,037	3,252,636	825	-	3,253,461
Cash dividend for the year 2023 (Note 15)	-	-	-	-	-	-	-	(1,713,126)	(1,713,126)	-	-	(1,713,126)
Interim dividend for the year 2024 (Note 15)	-	-	-	-	-	-	-	(590,733)	(590,733)	-	-	(590,733)
Movement in non-controlling interests	-	-	-	-	-	-	-	-	-	(17,206)	-	(17,206)
Loss on settlement of equity type investments	-	-	-	-	-	-	-	(2,160)	(2,160)	(1,132)	-	(3,292)
Balance at 30 September 2024 (Reviewed)	2,362,932	6,370,016	2,952,553	81,935	(58,218)	(550,160)	216,820	14,962,501	26,338,379	607,863	4,000,000	30,946,242
Balance at 1 January 2023	2,362,932	6,370,016	2,641,655	81,935	197,141	(428,562)	216,820	11,815,316	23,257,253	668,593	4,000,000	27,925,846
Net profit for the period	-	-	-	-	-	-	-	3,055,246	3,055,246	(1,793)	-	3,053,453
Other comprehensive loss	-	-	-	-	(129,596)	(106,313)	-	-	(235,909)	(9,736)	-	(245,645)
Total comprehensive income for the period	-	-	-	-	(129,596)	(106,313)	-	3,055,246	2,819,337	(11,529)	-	2,807,808
Cash dividends paid to equity holders (Note 15)	-	-	-	-	-	-	-	(1,476,833)	(1,476,833)	-	-	(1,476,833)
Movement in non-controlling interests	-	-	-	-	-	-	-	-	-	4,126	-	4,126
Loss on settlement of equity type investments	-	-	-	-	-	-	-	(3,134)	(3,134)	(1,643)	-	(4,777)
Balance at 30 September 2023 (Reviewed)	2,362,932	6,370,016	2,641,655	81,935	67,545	(534,875)	216,820	13,390,595	24,596,623	659,547	4,000,000	29,256,170

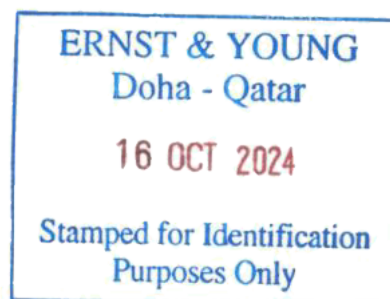


The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine-month period ended 30 September 2024

	<i>For the nine-month period ended 30 September</i>	
	<i>2024</i>	<i>2023</i>
	<i>(Reviewed) QAR'000</i>	<i>(Reviewed) QAR'000</i>
Cash flows from operating activities		
Net profit for the period before tax	3,271,331	3,065,328
Net changes in operating assets and liabilities	<u>(1,609,467)</u>	<u>(3,690,052)</u>
Net cash flows from operating activities	<u>1,661,864</u>	<u>(624,724)</u>
Cash flows from investing activities		
Net changes in investment securities	(2,346,102)	(1,340,438)
Net changes in fixed and intangible assets	(48,603)	(48,839)
Net changes in associate companies	-	20,309
Net changes in investment properties	13,089	(13,249)
Dividends received from investment securities	86,281	81,872
Dividends received from associate companies	<u>41,544</u>	<u>15,116</u>
Net cash flows used in investing activities	<u>(2,253,791)</u>	<u>(1,285,229)</u>
Cash flows from financing activities		
Change in participatory investment accounts	4,901,553	3,272,481
Net movement from sukuk financing	(910,000)	(726,180)
Net movement in non-controlling interests	(5,103)	(7,254)
Cash dividend paid to equity holders of the Bank	(1,713,126)	(1,476,833)
Interim dividend paid to equity holders of the Bank	<u>(590,733)</u>	<u>-</u>
Net cash flows from financing activities	<u>1,682,591</u>	<u>1,062,214</u>
Net increase/ (decrease) in cash and cash equivalents	1,090,664	(847,739)
Cash and cash equivalents - beginning of the period	<u>4,608,722</u>	<u>4,836,321</u>
Cash and cash equivalents - end of the period (Note 16)	<u>5,699,386</u>	<u>3,988,582</u>

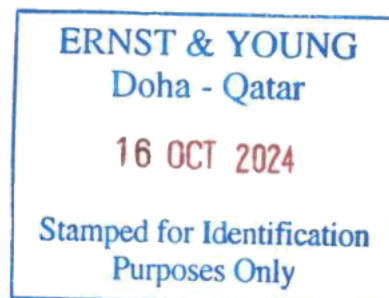


INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OFF-BALANCE SHEET ASSETS UNDER MANAGEMENT

For the nine-month period ended 30 September 2024

<i>Investment</i>	<i>Movements during the period</i>						<i>At 30 September</i>
	<i>At 1 January</i> <i>2024</i>	<i>Investments</i>	<i>Revaluation</i>	<i>Gross income</i>	<i>Dividends paid</i>	<i>Bank's fee as</i> <i>an agent</i>	<i>2024</i> <i>(Reviewed)</i>
	----- <i>QAR'000</i> -----						
Real Estate Portfolio	9,100	-	-	-	-	-	9,100
Equity Securities Portfolio	337,210	(16,591)	(3,105)	4,259	(13,239)	(58)	308,476
	346,310	(16,591)	(3,105)	4,259	(13,239)	(58)	317,576

<i>Investment</i>	<i>Movements during the period</i>						<i>At 30 September</i>
	<i>At 1 January</i> <i>2023</i>	<i>Investments</i>	<i>Revaluation</i>	<i>Gross income</i>	<i>Dividends paid</i>	<i>Bank's fee as</i> <i>an agent</i>	<i>2023</i> <i>(Reviewed)</i>
	----- <i>QAR'000</i> -----						
Real Estate Portfolio	22,750	(13,650)	-	-	-	-	9,100
Equity Securities Portfolio	344,203	(13,828)	437	10,432	(17,792)	(204)	323,248
	366,953	(27,478)	437	10,432	(17,792)	(204)	332,348



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended 30 September 2024

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 nine-month period ended 30 September 2024 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 23 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>30 September 2024</i>	<i>31 December 2023</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.

1.1 Shari’ah governance framework

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

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

1.2 Shari’ah principles and rules

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

2 BASIS OF PREPARATION

(a) Statement of compliance

The interim condensed consolidated financial statements have been prepared in accordance with Financial Accounting Standards (“FAS 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 International Financial Reporting Standards (“IFRSs”) as issued by the International Accounting Standards Board (“IASB”).

The interim condensed consolidated financial statements do not contain all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2023. In addition, results for the nine-month period ended 30 September 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

(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 2023.

(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 2023.

(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 2023:

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

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

AAOIFI has issued revised FAS 1 in 2021. The revised FAS 1 supersedes the earlier FAS 1 General Presentation and Disclosures in the Financial Statements of Islamic Banks and Financial Institutions and introduces the concepts of quasi-equity, off-balance-sheet assets under management and other comprehensive income to enhance the information provided to the users of the financial statements.

The Group has adopted the standard and applied changes in certain presentation and disclosures in the interim consolidated financial statements for the period. The Group shall implement any subsequent guidelines or amendments to the standard that may be issued by the QCB. The adoption of this standard did not have any significant impact on recognition and measurement.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
As at and for the period ended 30 September 2024

2 BASIS OF PREPARATION (CONTINUED)

(d) Material accounting policy information (continued)

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

Some of the significant revisions to the standard are as follows:

- i. Revised conceptual framework is now an integral part of the AAOIFI FASs;
- ii. Definition of quasi-equity is introduced as a broader concept that will include the “unrestricted investment accounts” and other transactions under similar structures. Similarly, the wider term of “off-balance sheet assets under management” is now being used instead of “restricted investment accounts”;
- iii. Definitions have been modified and improved;
- iv. Concept of comprehensive income has been introduced, with the option to prepare one statement that is a combination of statement of income and statement of other comprehensive income, or to prepare the two statements separately. The Group elected to prepare the two statements separately;
- v. Institutions other than Banking institutions are allowed to classify assets and liabilities as current and non-current;
- vi. Disclosure of Zakah and Charity have been relocated to the notes to the financial statements;
- vii. True and fair override has been introduced;
- viii. Treatment for change in accounting policies, change in estimates and correction of errors has been introduced;
- ix. Disclosures of related parties, subsequent events and going concern have been improved;
- x. Improvement in reporting for foreign currency and segment reporting; and
- xi. Presentation and disclosure requirements have been divided into three parts. First part is applicable to all institutions, second part is applicable only to Islamic banks and similar IFIs and third part prescribes the authoritative status, effective date and amendments to other AAOIFI FASs.

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

AAOIFI has issued FAS 40 in 2021. The objective of this revised standard is to establish financial reporting requirements for Islamic finance windows and applicable to all conventional financial institutions providing Islamic financial services through an Islamic finance window. This standard improves upon and supersedes FAS 18 “Islamic Financial Services Offered by Conventional Financial Institutions”. The adoption of this standard did not have any significant impact on the Group’s interim condensed consolidated financial statements.

(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.

The concept of quasi-equity has been introduced in FAS 1 “General Presentation and Disclosures in the Financial Statements (Revised 2021)”. The Group shall address the requirements of FAS 45 “Quasi-Equity (Including Investment Accounts)” on the effective date of the standard.

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”.

(f) Key changes to the significant estimates and judgements

Investment classification

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

(g) Adoption of QCB circular 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:

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended 30 September 2024

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

	<i>Corporate banking QAR'000</i>	<i>Personal banking QAR'000</i>	<i>Group function QAR'000</i>	<i>Local & international subsidiaries QAR'000</i>	<i>Total QAR'000</i>
<i>30 September 2024 (Reviewed)</i>					
External revenue:					
Total income from financing and investing activities, net	5,923,344	1,626,212	11,266	366,257	7,927,079
Net fee and commission income	209,396	295,185	114,386	9,922	628,889
Net foreign exchange gain	-	-	34,732	144	34,876
Share of results of associates	-	-	44,178	3,310	47,488
Other income	-	-	-	1,566	1,566
Total income	6,132,740	1,921,397	204,562	381,199	8,639,898
Net profit attributable to quasi-equity holders	(2,074,259)	(1,061,898)	(407,796)	(164,106)	(3,708,059)
Inter segment (cost) revenue	(2,356,381)	805,102	1,551,279	-	-
Reportable segment net profit after tax	915,915	1,018,904	1,285,331	32,477	3,252,627
<i>30 September 2023 (Reviewed)</i>					
External revenue:					
Total income from financing and investing activities, net	5,381,344	1,297,560	88,607	322,645	7,090,156
Net fee and commission income	249,232	257,207	95,736	33,912	636,087
Net foreign exchange gain	-	-	34,408	14,895	49,303
Share of results of associates	-	-	28,250	14,997	43,247
Other income	-	-	-	1,027	1,027
Total income	5,630,576	1,554,767	247,001	387,476	7,819,820
Net profit attributable to quasi-equity holders	(1,801,424)	(695,409)	(433,923)	(119,736)	(3,050,492)
Inter segment (cost) revenue	(1,865,267)	461,738	1,403,529	-	-
Reportable segment net profit after tax	889,364	942,367	1,149,795	71,927	3,053,453

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended 30 September 2024

3 OPERATING SEGMENTS (CONTINUED)
30 September 2024 (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	120,831,924	27,227,433	41,753,754	7,731,690	197,544,801
Reportable segment liabilities and quasi-equity	65,888,155	56,413,387	36,862,496	7,434,521	166,598,559

31 December 2023 (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	115,966,959	26,541,329	39,540,507	7,108,304	189,157,099
Reportable segment liabilities and quasi-equity	59,641,353	52,292,890	40,277,773	6,927,945	159,139,961

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 comprehen sive income</i>	<i>Fair value through income statement</i>	<i>Amortised cost QAR'000</i>	<i>Total carrying amount</i>	<i>Fair value</i>
	-----			-----	
<i>30 September 2024 (Reviewed)</i>					
Cash and balances with central banks	-	-	7,832,244	7,832,244	7,832,244
Due from banks	-	-	4,209,888	4,209,888	4,209,888
Investment securities					
- Equity type instruments	2,694,636	1,686,005	-	4,380,641	4,380,641
- Debt type instruments	1,795,243	657,188	43,466,548	45,918,979	45,775,942
	4,489,879	2,343,193	55,508,680	62,341,752	62,198,715
Due to banks	-	-	23,849,293	23,849,293	23,849,293
Customers' current accounts	-	-	15,324,973	15,324,973	15,324,973
Sukuk financing	-	-	13,774,527	13,774,527	13,774,527
Other liabilities	-	-	2,561,798	2,561,798	2,561,798
Participatory investment accounts	-	-	111,087,968	111,087,968	111,087,968
	-	-	166,598,559	166,598,559	166,598,559
<i>31 December 2023 (Audited)</i>					
Cash and balances with central banks	-	-	8,037,333	8,037,333	8,037,333
Due from banks	-	-	3,261,873	3,261,873	3,261,873
Investment securities					
- Equity type instruments	2,467,281	1,613,770	-	4,081,051	4,081,051
- Debt type instruments	1,800,339	208,856	41,923,026	43,932,221	43,917,709
	4,267,620	1,822,626	53,222,232	59,312,478	59,297,966
Due to banks	-	-	20,434,099	20,434,099	20,434,099
Customers' current accounts	-	-	14,648,105	14,648,105	14,648,105
Sukuk financing	-	-	14,668,250	14,668,250	14,668,250
Other liabilities	-	-	3,203,092	3,203,092	3,203,092
Participatory investment accounts	-	-	106,186,415	106,186,415	106,186,415
	-	-	159,139,961	159,139,961	159,139,961

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended 30 September 2024

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 2,858 million (31 December 2023: QAR 1,574 million) for which the fair value amounts to QAR 2,843 million (31 December 2023: QAR 1,503 million), which is derived using Level 1 fair value hierarchy.

Fair value hierarchy

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

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

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

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

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

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

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

As at 30 September 2024 and 31 December 2023, the Group held the following financial instruments measured at fair value:

<i>30 September 2024 (Reviewed)</i>	<i>Fair value measurement using</i>			
	<i>Total</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
	<i>QAR'000</i>			
Shari'ah compliant risk management instruments (assets)	155,720	-	155,720	-
Investment securities				
Quoted equity-type classified as FVTIS	247,568	247,568	-	-
Unquoted debt-type classified as FVTIS	657,188	-	657,188	-
Unquoted equity-type classified as FVTIS	1,438,437	-	119,804	1,318,633
Quoted equity-type classified as FVTOCI	1,452,756	1,301,816	150,940	-
Unquoted equity-type classified as FVTOCI	1,241,880	-	604,608	637,272
Quoted debt-type classified as FVTOCI	1,103,897	-	1,103,897	-
Unquoted debt-type classified as FVTOCI	691,346	-	691,346	-
Financing assets classified as FVTIS	442,702	-	-	442,702
Shari'ah compliant risk management instruments (liabilities)	292,635	-	292,635	-

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
As at and for the period ended 30 September 2024

4 FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (continued)

31 December 2023 (Audited)	Fair value measurement using			
	Total	Level 1	Level 2	Level 3
	----- QAR'000 -----			
Shari'ah compliant risk management instruments (assets)	306,359	-	306,359	-
Investment securities				
Quoted equity-type classified as FVTIS	331,321	331,321	-	-
Quoted debt-type classified as FVTIS	8,699	8,699	-	-
Unquoted debt-type classified as FVTIS	200,157	-	200,157	-
Unquoted equity-type classified as FVTIS	1,282,449	-	12,135	1,270,314
Quoted equity-type classified as FVTOCI	1,486,753	1,339,412	147,341	-
Unquoted equity-type classified as FVTOCI	980,528	-	569,906	410,622
Quoted debt-type classified as FVTOCI	1,101,294	-	1,101,294	-
Unquoted debt-type classified as FVTOCI	699,045	-	699,045	-
Financing assets classified as FVTIS	452,317	-	-	452,317
Shari'ah compliant risk management instruments (liabilities)	244,824	-	244,824	-

FVTIS – Fair value through income statement

FVTOCI – Fair value through other comprehensive income

Transfers within the fair value hierarchy

During the period ended 30 September 2024 and year ended 31 December 2023, 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 2023.

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 2024	Total gain recorded in interim consolidated statement of income / equity	Purchases	Sales / transfers	At 30 September 2024 (Reviewed)
	----- QAR'000 -----				
Equity investments:					
at FVTOCI	410,622	(35,676)	261,060	1,266	637,272
at FVTIS	1,270,314	47,425	150,088	(149,194)	1,318,633
Financing assets classified as FVTIS	452,317	18,209	-	(27,824)	442,702
	2,133,253	29,958	411,148	(175,752)	2,398,607

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
As at and for the period ended 30 September 2024

4 FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTINUED)

Transfers within the fair value hierarchy (continued)

	<i>At 1 January 2023</i>	<i>Total gain recorded in interim consolidated statement of income / equity</i>	<i>Purchases</i>	<i>Sales/ transfers</i>	<i>At 31 December 2023 (Audited)</i>
	----- QAR'000 -----				
Equity investments:					
at FVTOCI	463,886	(40,909)	10,157	(22,512)	410,622
at FVTIS	1,171,783	39,342	112,888	(53,699)	1,270,314
Financing assets classified as FVTIS	463,536	(14,402)	3,183	-	452,317
	2,099,205	(15,969)	126,228	(76,211)	2,133,253

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 757.5 million (30 September 2023: QAR 866.8 million) as impairment on financing assets which was recognised under "Net impairment losses on financing assets" in the interim consolidated statement of income. Further, the Group has recognised impairment reversals of QAR 0.4 million (30 September 2023: QAR 1.1 million impairment charge) on investment securities which was recognised under "Net impairment reversals on investment securities" in the interim consolidated statement of income as disclosed in Note 20 to these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
As at and for the period ended 30 September 2024

6 FINANCING ASSETS

	<i>30 September 2024 (Reviewed) QAR'000</i>	<i>31 December 2023 (Audited) QAR'000</i>	<i>30 September 2023 (Reviewed) QAR'000</i>
Total financing assets	158,369,756	150,744,585	149,387,835
Less: Deferred profit	(22,902,817)	(21,273,037)	(20,687,390)
Expected credit losses on financing assets - performing (Stage 1 and 2) *	(5,557,376)	(5,193,272)	(5,063,938)
Allowance for impairment on financing assets – credit impaired (Stage 3) *	(2,111,823)	(1,826,015)	(1,764,290)
Suspended profit	(74,264)	(71,418)	(69,838)
Net financing assets	<u>127,723,476</u>	<u>122,380,843</u>	<u>121,802,379</u>

Note:

Net financing assets include hybrid instruments amounting to QAR 443 million designated as fair value through income statement ('FVTIS') (31 December 2023: QAR 452 million).

The impaired financing assets net of deferred profit amounted to QAR 2,302 million as at 30 September 2024 representing 1.7% of the total financing assets net of deferred profit (31 December 2023: QAR 2,168 million, representing 1.7% of the total financing assets net of deferred profit).

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended 30 September 2024

7 INVESTMENT SECURITIES

	30 September 2024 (Reviewed)			31 December 2023 (Audited)			30 September 2023 (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	247,568	1,438,437	1,686,005	331,321	1,282,449	1,613,770	233,295	1,217,152	1,450,447
• debt-type – Fixed rate	-	657,188	657,188	8,699	200,157	208,856	9,007	193,782	202,789
	247,568	2,095,625	2,343,193	340,020	1,482,606	1,822,626	242,302	1,410,934	1,653,236
Debt-type classified at amortised cost									
- State of Qatar Sukuk and QCB Murabaha	-	41,290,740	41,290,740	-	40,232,529	40,232,529	-	41,012,204	41,012,204
- Fixed rate	2,178,679	102,207	2,280,886	1,693,807	102,207	1,796,014	1,576,259	102,207	1,678,466
Less: allowance for impairment*	(6,940)	(98,138)	(105,078)	(7,380)	(98,137)	(105,517)	(6,670)	(98,137)	(104,807)
	2,171,739	41,294,809	43,466,548	1,686,427	40,236,599	41,923,026	1,569,589	41,016,274	42,585,863
Classified as fair value through other comprehensive income									
• equity type	1,452,756	1,241,880	2,694,636	1,486,753	980,528	2,467,281	1,458,484	1,013,010	2,471,494
• debt-type – Fixed rate	1,103,897	691,346	1,795,243	1,101,294	699,045	1,800,339	-	680,635	680,635
	2,556,653	1,933,226	4,489,879	2,588,047	1,679,573	4,267,620	1,458,484	1,693,645	3,152,129
	4,975,960	45,323,660	50,299,620	4,614,494	43,398,778	48,013,272	3,270,375	44,120,853	47,391,228

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 As at and for the period ended 30 September 2024

8 PARTICIPATORY INVESTMENT ACCOUNTS

	<i>30 September 2024 (Reviewed) QAR'000</i>	<i>31 December 2023 (Audited) QAR'000</i>	<i>30 September 2023 (Reviewed) QAR'000</i>
Term accounts	90,599,355	87,027,251	86,640,895
Saving accounts	18,384,709	17,476,223	17,466,150
Call accounts	2,021,889	1,624,387	2,448,766
	111,005,953	106,127,861	106,555,811
Share in reserve attributable to quasi-equity	82,015	58,554	66,608
Total	111,087,968	106,186,415	106,622,419

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 2023: QAR 310.9 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 As at and for the period ended 30 September 2024

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 30 September</i>		<i>For the nine-month period ended 30 September</i>	
	<i>2024 (Reviewed)</i>	<i>2023 (Reviewed)</i>	<i>2024 (Reviewed)</i>	<i>2023 (Reviewed)</i>
Profit for the period attributable to equity holders of the Bank (QAR '000)	<u>1,199,917</u>	<u>1,099,913</u>	<u>3,265,037</u>	<u>3,055,246</u>
Weighted average number of shares outstanding during the period ('000)	<u>2,362,932</u>	<u>2,362,932</u>	<u>2,362,932</u>	<u>2,362,932</u>
Basic and diluted earnings per share (QAR)	<u>0.51</u>	<u>0.47</u>	<u>1.38</u>	<u>1.29</u>

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.

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 1st January 2023 for the coming six years.

15 DIVIDENDS

The Board of Directors have 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 equity holders of the Bank approved cash dividends of 72.5% of the paid-up share capital (QAR 0.725 per share) amounting to QAR 1,713.1 million for the year ended 31 December 2023 in the general assembly meeting held on 21 February 2024 (QAR 1,476.8 million for the year ended 31 December 2022).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 As at and for the period ended 30 September 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>30 September 2024 (Reviewed) QAR'000</i>	<i>31 December 2023 (Audited) QAR'000</i>	<i>30 September 2023 (Reviewed) QAR'000</i>
Cash and balances with central banks (excluding restricted QCB and other central banks reserve account)	1,692,016	1,507,687	1,316,247
Due from banks	<u>4,007,370</u>	<u>3,101,035</u>	<u>2,672,335</u>
Total	<u>5,699,386</u>	<u>4,608,722</u>	<u>3,988,582</u>

17 CONTINGENT LIABILITIES AND COMMITMENTS

	<i>30 September 2024 (Reviewed) QAR'000</i>	<i>31 December 2023 (Audited) QAR'000</i>	<i>30 September 2023 (Reviewed) QAR'000</i>
a) Contingent liabilities			
Unutilised financing facilities	7,906,187	8,241,818	8,461,642
Guarantees	8,764,654	9,103,126	9,008,011
Letters of credit	<u>828,233</u>	<u>779,939</u>	<u>669,376</u>
	<u>17,499,074</u>	<u>18,124,883</u>	<u>18,139,029</u>
b) Commitments			
Investment commitment	<u>428,210</u>	<u>351,098</u>	<u>383,804</u>
Total	<u>17,927,284</u>	<u>18,475,981</u>	<u>18,522,833</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>30 September 2024 (Reviewed)</i>		<i>31 December 2023 (Audited)</i>	
	<i>Associated companies QAR'000</i>	<i>Board of Directors QAR'000</i>	<i>Associated companies QAR'000</i>	<i>Board of Directors QAR'000</i>
Assets:				
Financing assets	2,886,761	20,650,122	3,025,685	20,409,194
Liabilities:				
Customers' current accounts	240	226,804	1,006	190,865
Quasi Equity:				
Participatory investment accounts	219,639	1,287,842	280,194	1,371,566
Off balance sheet items:				
Contingent liabilities and commitments	7,819	82,896	14,184	114,710

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 As at and for the period ended 30 September 2024

18 RELATED PARTY TRANSACTIONS (CONTINUED)

	<i>30 September 2024</i>		<i>30 September 2023</i>	
	<i>(Reviewed)</i>		<i>(Reviewed)</i>	
	<i>Associated companies</i>	<i>Board of Directors</i>	<i>Associated companies</i>	<i>Board of Directors</i>
	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>
Interim consolidated statement of income items:				
Income from financing activities	164,118	1,238,891	150,451	985,380
Net profit attributable to quasi-equity holders	4,868	44,378	2,154	47,515
Net fee and commission income	9,818	11,947	7,765	21,445

Key management personnel compensation for the period comprised:

	<i>30 September 2024</i>	<i>30 September 2023</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<i>QAR'000</i>	<i>QAR'000</i>
Key management remuneration	72,421	71,568

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 30 September 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 14.56%.

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 2024</i>	<i>31 December 2023</i>	<i>30 September 2023</i>
	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>	<i>(Reviewed)</i>
Common Equity Tier 1 (CET 1) Capital	26,437,765	23,717,506	21,749,771
Tier 1 capital	30,492,577	27,773,890	25,791,946
Tier 2 capital	1,775,742	1,698,496	1,703,726
Total regulatory capital	32,268,319	29,472,386	27,495,672
Risk weighted assets	151,205,637	144,462,694	145,188,363
Common equity tier 1 (CET 1) capital adequacy ratio	17.5%	16.4%	15.0%
QCB minimum	8.5%	8.5%	8.5%
Total capital adequacy ratio	21.3%	20.4%	18.9%
QCB minimum including conservation buffer, DSIB and ICAAP pillar II capital charge	14.56%	14.56%	14.63%

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 As at and for the period ended 30 September 2024

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

	30 September 2024			30 September 2023	
	Stage 1	Stage 2	Stage 3	Total	
	----- QAR'000 -----				
Exposures subject to expected credit losses					
Due from central banks	6,685,243	-	650,069	7,335,312	6,433,500
Due from banks	4,152,528	57,536	19,665	4,229,729	3,000,990
Debt type investments carried at amortised cost	43,462,289	-	109,337	43,571,626	42,690,670
Financing assets*	114,965,024	18,199,610	2,228,041	135,392,675	128,630,607
Off balance sheet exposures subject to credit risk	15,903,211	1,429,875	165,988	17,499,074	18,139,028
	<u>185,168,295</u>	<u>19,687,021</u>	<u>3,173,100</u>	<u>208,028,416</u>	<u>198,894,795</u>
Opening balance of expected credit losses / impairment losses as at 1 January					
Due from central banks	-	-	237,572	237,572	232,172
Due from banks	117	-	19,665	19,782	19,995
Debt type investments carried at amortised cost	1,247	-	104,270	105,517	103,677
Financing assets	3,966,408	1,226,864	1,826,015	7,019,287	5,962,188
Off balance sheet exposures subject to credit risk	4,006	23,752	53,762	81,520	67,268
	<u>3,971,778</u>	<u>1,250,616</u>	<u>2,241,284</u>	<u>7,463,678</u>	<u>6,385,300</u>
Net transfer between stages					
Due from central banks	-	-	-	-	-
Due from banks	-	-	-	-	-
Debt type investments carried at amortised cost	-	-	-	-	-
Financing assets	46,186	(69,564)	23,378	-	-
Off balance sheet exposures subject to credit risk	-	-	-	-	-
	<u>46,186</u>	<u>(69,564)</u>	<u>23,378</u>	<u>-</u>	<u>-</u>
Write off / foreign currency and other adjustments for the period					
Due from central banks	-	-	-	-	(57,150)
Due from banks	-	-	-	-	-
Debt type investments carried at amortised cost	-	-	-	-	-
Financing assets	319	378	(108,298)	(107,601)	(750)
Off balance sheet exposures subject to credit risk	-	-	-	-	-
	<u>319</u>	<u>378</u>	<u>(108,298)</u>	<u>(107,601)</u>	<u>(57,900)</u>
Charge / (reversal) for the period (net)					
Due from central banks	-	-	7,797	7,797	-
Due from banks	58	1	-	59	(142)
Debt type investments carried at amortised cost	(439)	-	-	(439)	1,130
Financing assets	354,969	31,816	370,728	757,513	866,790
Off balance sheet exposures subject to credit risk	(1,830)	(17,570)	17,766	(1,634)	52
	<u>352,758</u>	<u>14,247</u>	<u>396,291</u>	<u>763,296</u>	<u>867,830</u>
Closing balance of expected credit losses / impairment losses - as at 30 September (Reviewed)					
Due from central banks	-	-	245,369	245,369	175,022
Due from banks	175	1	19,665	19,841	19,853
Debt type investments carried at amortised cost	808	-	104,270	105,078	104,807
Financing assets	4,367,882	1,189,494	2,111,823	7,669,199	6,828,228
Off balance sheet exposures subject to credit risk	2,176	6,182	71,528	79,886	67,320
	<u>4,371,041</u>	<u>1,195,677</u>	<u>2,552,655</u>	<u>8,119,373</u>	<u>7,195,230</u>

*net of suspended profit and deferred profit

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 As at and for the period ended 30 September 2024

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 2024.

<i>Rating grade</i>	<i>Due from central banks QAR'000</i>	<i>Due from banks QAR'000</i>	<i>Debt type investments carried at amortised cost QAR'000</i>	<i>Financing assets QAR'000</i>	<i>Off balance sheet exposures subject to credit risk QAR'000</i>	<i>Total QAR'000</i>
AAA to AA-	6,627,978	53,695	42,003,787	15,080,993	1,151,854	64,918,307
A+ to A-	-	4,071,606	798,541	5,117,325	486,772	10,474,244
BBB to BBB-	-	23,175	7,309	86,449,885	12,714,257	99,194,626
BB+ to B-	-	4,429	648,319	18,519,495	2,947,515	22,119,758
Unrated	707,334	76,824	113,670	10,224,977	198,676	11,321,481
Total	7,335,312	4,229,729	43,571,626	135,392,675	17,499,074	208,028,416

21 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.