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

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024

CONTENTS **Page(s)**

Consolidated Financial Statements

Independent auditor's report	1-5
Consolidated statement of financial position	6
Consolidated statement of income	7
Consolidated statement of comprehensive income	8
Consolidated statement of income and attribution related to quasi-equity	9
Consolidated statement of changes in equity	10-11
Consolidated statement of cash flows	12
Consolidated statement of changes in off balance sheet assets under management	13
Notes to the consolidated financial statements	14-85
Supplementary information	86-87

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

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF QATAR ISLAMIC BANK Q.P.S.C.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Qatar Islamic Bank Q.P.S.C. (the "Bank"), and its subsidiaries (the "Group") as at 31 December 2024, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of income and attribution related to quasi-equity, consolidated statement of changes in equity, consolidated statement of cash flows and consolidated statement of changes in off-balance sheet assets under management for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Financial Accounting Standards (FAS) issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as modified by the Qatar Central Bank (QCB).

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	*How our audit addressed the key audit matter*
Impairment of financing assets	
Due to the inherently judgmental nature of the computation of impairment of financing assets in accordance with FAS 30 "Impairment, Credit Losses and Onerous Commitments", there is a risk that the amount of impairment of financing assets may be misstated.	Our audit procedures included the following: • Read the Group's FAS 30 impairment policy and assessed compliance with the requirements of FAS 30.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF QATAR ISLAMIC BANK Q.P.S.C. (CONTINUED)

Report on the audit of the consolidated financial statements (continued)

Key audit matters (continued)

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Impairment of financing assets</td></tr>
<tr><td>
The key areas of judgement include:

The identification of exposure with a significant deterioration in credit quality;
Assumptions used in the models such as financial condition of counterparty, expected future cash flows, forward looking macroeconomic variables etc; and
The need to apply additional overlays to reflect current or future external factors that might not be captured by the model.

Determining the adequacy of impairment allowance on financing assets to customers is a key area of judgement for the management. Qatar Central Bank ("QCB") regulations require banks to estimate impairment allowance in accordance with FAS 30 and the applicable provisions of QCB regulations. Notes 4(b), 10 and 20 of the consolidated financial statements provide details relating to the impairment of financing assets.
Due to the significance of financing assets, subjectivity in identifying impairment indicators and estimation uncertainty in measuring impairment allowances, this is considered a key audit matter.
</td><td>

Evaluated the Group's criteria for the significant increase in credit risk ("SICR") and the basis for classification of exposures into various stages. Selected a sample of exposures and tested the application of Group's SICR criteria to assess the movements between stages.
Evaluated the Group's forward-looking macroeconomic variables by comparing on a sample basis against supporting evidence, where applicable, and assessed the reasonableness of changes made to the economic scenarios.
For probability of default ("PD") used in the expected credit losses ("ECL") calculation:

Evaluated the through-the-cycle ("TTC") PDs by selecting a sample of exposures and comparing against supporting evidence.
Selected a sample of exposures and tested the conversion of TTC PDs to point in time ("PIT") PDs.

Tested the calculation of the Loss Given Default ("LGD") used by the Group in the ECL calculations.
Assessed the modelled calculation by re-performing ECL calculations on a sample basis.
Assessed the impairment allowance for individually impaired financing assets (stage 3) in accordance with FAS 30 and the applicable provisions of QCB regulations.

In addition, we considered, assessed and tested relevant controls over credit initiation, monitoring and settlement, and those relating to the calculation of impairment allowances.
</td></tr>
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Report on the audit of the consolidated financial statements (continued)

Other information included in the Group's 2024 annual report

Other information consists of the information included in the Group's 2024 Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2024 Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of management and the Board of Directors for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Financial Accounting Standards (FAS) issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as modified by the Qatar Central Bank (QCB), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF QATAR ISLAMIC BANK Q.P.S.C. (CONTINUED)

Report on the audit of the consolidated financial statements (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF QATAR ISLAMIC BANK Q.P.S.C. (CONTINUED)

Report on other legal and regulatory requirements

We have obtained all the information and explanations, which we considered necessary for the purpose of our audit. We confirm that we are not aware of any contraventions by the Bank of its Articles of Association and Qatar Commercial Companies Law No. 11 of 2015 (as amended by Law No. 8 of 2021), during the financial year that would have had a material adverse effect on the Group's financial position or performance.

Ziad Nader
of Ernst & Young
Qatar Auditor's Register Number: 258

EY ERNST & YOUNG
P.O. BOX: 164, DOHA - QATAR
7 V
EY إرنست و يونغ
ص.ب : ١٦٤، الدوحة - قطر

Date: 30 January 2025
Doha - State of Qatar

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	***2024*** ***QAR'000***	*2023* *QAR'000*
ASSETS			
Cash and balances with central banks	8	**8,683,066**	8,037,333
Due from banks	9	**2,488,250**	3,261,873
Financing assets	10	**125,274,016**	122,380,843
Investment securities	11	**53,008,246**	48,013,272
Investment in associates	12	**1,100,365**	1,127,659
Investment properties	13	**2,467,793**	3,305,864
Fixed assets	14	**355,853**	515,525
Intangible assets	15	**-**	217,814
Other assets	16	**2,214,142**	2,296,916
Assets held for sale	40	**5,188,045**	-
Total assets		**200,779,776**	189,157,099
LIABILITIES, QUASI-EQUITY AND EQUITY			
LIABILITIES			
Due to banks	17	**24,017,183**	20,434,099
Customers' current accounts	18	**16,429,048**	14,648,105
Sukuk financing	19	**13,741,520**	14,668,250
Other liabilities	20	**2,825,744**	3,203,092
Liabilities directly associated with assets held for sale	40	**3,429,799**	-
TOTAL LIABILITIES		**60,443,294**	52,953,546
QUASI-EQUITY			
Participatory investment accounts	21	**108,511,675**	106,127,861
Reserves attributable to quasi-equity	21	**53,963**	58,554
		108,565,638	106,186,415
EQUITY			
Share capital	22(a)	**2,362,932**	2,362,932
Legal reserve	22(b)	**6,370,016**	6,370,016
Risk reserve	22(c)	**3,102,283**	2,952,553
General reserve	22(d)	**81,935**	81,935
Fair value reserve	22(f)	**(88,969)**	(18,637)
Foreign currency translation reserve	22(g)	**(661,941)**	(577,340)
Other reserves	22(h)	**216,820**	216,820
Retained earnings	22(e)	**15,774,256**	14,003,483
Total equity attributable to equity holders of the bank		**27,157,332**	25,391,762
Non-controlling interests	23	**613,512**	625,376
Sukuk eligible as additional capital	24	**4,000,000**	4,000,000
TOTAL EQUITY		**31,770,844**	30,017,138
TOTAL LIABILITIES, QUASI-EQUITY AND EQUITY		**200,779,776**	189,157,099
Off-balance sheet assets under management		**10,520**	346,310
Contingent liabilities and commitments		**19,646,032**	18,475,981

These consolidated financial statements were approved by the Board of Directors on 15 January 2025 and were signed on its behalf by:

Jassim Bin Hamad Bin Jassim Bin Jabor Al Thani
Chairman

Bassel Gamal
Group Chief Executive Officer

The attached notes 1 to 42 form an integral part of these consolidated financial statements.

	Notes	2024 QAR'000	2023 QAR'000
Net income from financing activities	25	**9,583,954**	8,579,730
Net income from investing activities	26	**1,586,715**	1,535,445
Sukuk holders' share of profit		**(451,866)**	(372,991)
Total income from financing and investing activities		**10,718,803**	9,742,184
Fee and commission income		**1,246,166**	1,224,770
Fee and commission expense		**(378,816)**	(335,525)
Net fee and commission income	27	**867,350**	889,245
Net foreign exchange gain	28	**94,065**	50,463
Share of results of associates	12	**66,487**	60,045
Other income		**2,577**	1,093
Total income		**11,749,282**	10,743,030
Staff costs	29	**(668,309)**	(655,990)
Depreciation	14	**(67,170)**	(75,149)
Other expenses	30	**(413,607)**	(386,091)
Total expenses		**(1,149,086)**	(1,117,230)
Net impairment losses on investment securities	11	**(1,710)**	(1,840)
Net impairment losses on financing assets	10	**(865,322)**	(1,057,959)
Net other impairment losses		**(115,040)**	(43,504)
Net profit for the year before tax and attribution to quasi-equity		**9,618,124**	8,522,497
Less: Net profit attributable to quasi-equity holders	21	**(4,988,338)**	(4,221,622)
Profit for the year before tax		**4,629,786**	4,300,875
Tax expense	31	**(29,874)**	(12,948)
Net profit for the year		**4,599,912**	4,287,927
Net profit for the year attributable to:			
Equity holders of the Bank		**4,605,321**	4,305,205
Non-controlling interests		**(5,409)**	(17,278)
Net profit for the year		**4,599,912**	4,287,927
Earnings per share			
Basic / diluted earnings per share (QAR per share)	34	**1.86**	1.73

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Doha - Qatar
30 JAN 2025
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The attached notes 1 to 42 form an integral part of these consolidated financial statements.

	2024 QAR'000	2023 QAR'000
NET PROFIT FOR THE YEAR	**4,599,912**	4,287,927
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	**27,912**	(66,456)
Items that may be subsequently classified to consolidated statement of income		
Exchange differences arising on translation of foreign operations	**(83,334)**	(197,432)
Fair value changes of debt-type investments classified as FVTOCI	**(1,611)**	1,311
Net change in the share of other comprehensive income of investment in associates:		
Net change in fair value	**3,076**	1,626
Net movement in cash flow hedges – effective portion of changes in fair value	**(92,316)**	(117,074)
Fair value changes of investment properties	**(5,853)**	(17,847)
Share in the reserve attributable to quasi-equity	**(4,591)**	(18,700)
Total other comprehensive loss for the year	**(156,717)**	(414,572)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**4,443,195**	3,873,355
Total comprehensive income for the period attributable to:		
Equity holders of the Bank	**4,450,388**	3,940,649
Non-controlling interests	**(7,193)**	(67,294)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**4,443,195**	3,873,355

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	2024 **QAR'000**	2023 QAR'000
Net profit for the year before attribution to quasi-equity	**9,618,124**	8,522,497
Less: Income not attributable to quasi-equity	**(3,658,031)**	(3,305,498)
Add: Expenses not attributable to quasi-equity	**841,367**	827,358
Net profit attributable to quasi-equity before Bank's Mudaraba income	**6,801,460**	6,044,357
Less: Mudarib's share	**(6,261,577)**	(5,597,843)
Add: Support provided by the Bank	**4,448,455**	3,775,108
NET PROFIT ATTRIBUTABLE TO QUASI-EQUITY	**4,988,338**	4,221,622
OTHER COMPREHENSIVE INCOME		
Items that may be subsequently classified to consolidated statement of income		
Share in the reserve attributable to quasi-equity	**(4,591)**	(18,700)
TOTAL OTHER COMPREHENSIVE LOSS	**(4,591)**	(18,700)
TOTAL PROFIT ATTRIBUTABLE TO QUASI-EQUITY	**4,983,747**	4,202,922

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Qatar Islamic Bank (Q.P.S.C.)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024

QAR '000

	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
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 year	-	-	-	-	-	-	-	4,605,321	4,605,321	(5,409)	-	4,599,912
Other comprehensive loss	-	-	-	-	(70,332)	(84,601)	-	-	(154,933)	(1,784)	-	(156,717)
Total comprehensive income for the year	-	-	-	-	(70,332)	(84,601)	-	4,605,321	4,450,388	(7,193)	-	4,443,195
Cash dividend for the year 2023 (Note 22)	-	-	-	-	-	-	-	(1,713,126)	(1,713,126)	-	-	(1,713,126)
Interim dividend for the year 2024 (Note 22)	-	-	-	-	-	-	-	(590,733)	(590,733)	-	-	(590,733)
Transfer to risk reserve (Note 22)	-	-	149,730	-	-	-	-	(149,730)	-	-	-	-
Social and Sports Fund appropriation (Note 39)	-	-	-	-	-	-	-	(115,133)	(115,133)	-	-	(115,133)
Profit on Sukuk eligible as additional capital (Note 24)	-	-	-	-	-	-	-	(218,643)	(218,643)	-	-	(218,643)
Loss on settlement of equity type investments	-	-	-	-	-	-	-	(47,183)	(47,183)	(24,719)	-	(71,902)
Movement in non-controlling interests	-	-	-	-	-	-	-	-	-	20,048	-	20,048
Balance at 31 December 2024	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

Fair value reserve and foreign currency translation reserve of the bank includes (QAR 106 million) and QAR 35.9 million related to fair value reserve and foreign currency translation reserve respectively, related to asset held for sale.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

QAR '000

	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
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 year	-	-	-	-	-	-	-	4,305,205	4,305,205	(17,278)	-	4,287,927
Other comprehensive loss	-	-	-	-	(215,778)	(148,778)	-	-	(364,556)	(50,016)	-	(414,572)
Total comprehensive income for the year	-	-	-	-	(215,778)	(148,778)	-	4,305,205	3,940,649	(67,294)	-	3,873,355
Cash dividend for the year 2022 (Note 22)	-	-	-	-	-	-	-	(1,476,833)	(1,476,833)	-	-	(1,476,833)
Transfer to risk reserve (Note 22)	-	-	310,898	-	-	-	-	(310,898)	-	-	-	-
Social and Sports Fund appropriation (Note 39)	-	-	-	-	-	-	-	(107,630)	(107,630)	-	-	(107,630)
Profit on Sukuk eligible as additional capital (Note 24)	-	-	-	-	-	-	-	(218,643)	(218,643)	-	-	(218,643)
Loss on settlement of equity type investments	-	-	-	-	-	-	-	(3,034)	(3,034)	(1,590)	-	(4,624)
Movement in non-controlling interests	-	-	-	-	-	-	-	-	-	25,667	-	25,667
Balance at 31 December 2023	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

The attached notes 1 to 42 form an integral part of these consolidated financial statements.

Qatar Islamic Bank (Q.P.S.C.)
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

	Notes	2024 QAR'000	2023 QAR'000
Cash flows from operating activities			
Net profit for the year before tax		**4,629,786**	4,300,875
Adjustments for:			
Net impairment losses on financing assets	10	**865,322**	1,057,959
Net impairment losses on investment securities	11	**1,710**	1,840
Other impairment losses		**115,040**	43,504
Depreciation	14	**67,170**	75,149
Net gain on sale of investment securities		**(126,898)**	(78,482)
Share of results of associates	12	**(66,487)**	(60,045)
Amortization of premium on sukuks		**(4,437)**	(1,111)
Fair value gain on investment securities carried as fair value through income statement	26	**(96,667)**	(30,505)
Employees end of service benefits charge	20	**22,612**	22,761
Profit before changes in operating assets and liabilities		**5,407,151**	5,331,945
Change in reserve account with Qatar Central Bank		**116,738**	(406,174)
Change in due from banks		**26,436**	18,604
Change in financing assets		**(3,758,495)**	(4,154,228)
Change in other assets		**260,322**	(9,233)
Change in due to banks		**3,583,083**	3,051,619
Change in customers' current accounts		**1,780,943**	(4,372,849)
Change in other liabilities		**2,977,208**	(1,046,886)
Net change in assets and liabilities held for sale		**(1,758,246)**	-
Employees' end of service benefits paid	20	**(11,231)**	(6,873)
Net cash from/ (used in) operating activities		**8,623,909**	(1,594,075)
Cash flows from investing activities			
Acquisition of investment securities		**(12,736,421)**	(7,873,803)
Proceeds from sale / redemption of investment securities		**5,107,171**	5,821,796
Acquisition of fixed assets	14	**(72,339)**	(70,446)
Proceeds from sale of investment in associates		**-**	75,479
Acquisition of investment properties	13	**(4,420)**	(17,098)
Proceeds from disposal of investment properties		**9,405**	-
Dividends received from associate companies	12	**39,844**	15,116
Dividends received from investment securities		**107,870**	114,552
Net cash used in investing activities		**(7,548,890)**	(1,934,404)
Cash flows from financing activities			
Change in quasi-equity		**2,379,223**	2,836,476
Net movement in non-controlling interest		**(6,455)**	(25,940)
Cash dividends paid to shareholders	22(i)	**(2,303,859)**	(1,476,833)
Profit paid on sukuk eligible as additional capital		**(218,643)**	(218,643)
Net proceeds from sukuk financing		**(910,000)**	2,185,820
Net cash (used in)/ from financing activities		**(1,059,734)**	3,300,880
Net increase/ (decrease) in cash and cash equivalents		**15,285**	(227,599)
Cash and cash equivalents at 1 January		**4,608,722**	4,836,321
Cash and cash equivalents at 31 December	35	**4,624,007**	4,608,722

The attached notes 1 to 42 form an integral part of these consolidated financial statements.

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

For the year ended 31 December 2024

QAR '000

Investment	**At 1 January 2024**	**Movements during the year: Investment / (withdrawals)/ (transfers)**	**Revaluation**	**Gross income**	**Dividends paid**	**Bank's fee as an agent**	**At 31 December 2024**
Real Estate Portfolio	**9,100**	**-**	**-**	**-**	**-**	**-**	**9,100**
Equity Securities Portfolio	**337,210**	**(335,790)**	**-**	**-**	**-**	**-**	**1,420**
	346,310	**(335,790)**	**-**	**-**	**-**	**-**	**10,520**

Investment	At 1 January 2023	Movements during the year: Investment / (withdrawals)	Revaluation	Gross income	Dividends paid	Bank's fee as an agent	At 31 December 2023
Real Estate Portfolio	22,750	(13,650)	-	-	-	-	9,100
Equity Securities Portfolio	344,203	(1,158)	3,247	10,611	(19,285)	(408)	337,210
	366,953	(14,808)	3,247	10,611	(19,285)	(408)	346,310

ERNST & YOUNG
Doha - Qatar
30 JAN 2025
Stamped for Identification
Purposes Only

The attached notes 1 to 42 form an integral part of these consolidated financial statements.

As at and for the year ended 31 December 2024 QAR'000

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 P.O. Box 559 Doha, State of Qatar. The consolidated financial statements of the Bank for the year ended 31 December 2024 comprise the Bank and its subsidiaries (together referred to as "the Group"). The Bank is primarily involved in corporate, retail and investment banking in accordance with Islamic sharia rules as determined by sharia supervisory board of the Bank, and has 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 consolidated financial statements of the Group for the year ended 31 December 2024 were authorized for issue in accordance with a resolution of the Board of Directors on 15 January 2025.

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

The consolidated financial statements include the financial statements of the Bank and the following principal subsidiaries and special purpose entities:

			Effective percentage of ownership	
	Country of Incorporation	***Principal Business Activity***	***31 December 2024***	*31 December 2023*
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 (iii)	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 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 consolidated financial statements as of and for the year ended 31 December 2024 were prepared in accordance with Financial Accounting Standards (FAS) issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) as modified by Qatar Central Bank (QCB). QCB have issued several modifications through circulars, the most significant modifications are Circular No. 12/2020 on 29 April 2020 (the effective date), which amends the requirements of Financial Accounting Standards No. (33) "Investments in Sukuk, shares and similar instruments" and Financial Accounting Standard No. (30) "Impairment, credit losses and onerous commitments" which requires bank to follow the principles of the International Financial Reporting Standard No. 9 "Financial Instruments" in respect of equity-type investments carried at Fair Value Through Other Comprehensive Income. Further, QCB circular 12/2020 also modifies the requirement of FAS 1 "General Presentation and Disclosure in the Financial Statements of Islamic Banks and Financial Institutions" in respect of retrospective adoption and disclosures related to the change in accounting policy. Accordingly, the Bank has adopted the circular from the effective date and the changes to the accounting policies have been adopted prospectively by the Bank, as disclosed in note 3(d)(iii).

Furthermore, AAOIFI has issued FAS 32 in 2019. FAS 32 improves upon and supersedes FAS 8 - Ijarah and Ijarah Muntahia Bittamleek originally issued in 1997. This standard aims at setting out principles for the classification, recognition, measurement, presentation and disclosure of Ijarah type transactions including their different forms entered into by an institution, in both the capacities of lessor and lessee. This standard was effective beginning 1 January 2021. QCB had issued a circular dated 11 April 2021, requesting Islamic banks in Qatar to perform impact assessment for FAS 32 adoption on assets, liabilities, income account, interim profit, capital adequacy, liquidity, any relevant indicators and regulatory ratios. The Islamic banks in Qatar are in the process of complying with the requirements of QCB in this respect and implementation of the standard will be made in line with QCB instructions.

For matters for which no AAOIFI standards or related guidance exist, the Group applies the relevant IFRS accounting standards.

b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for investment securities classified as "Investments at fair value through other comprehensive income", "Investments at fair value through income statement", "Shari'a compliant risk management instruments", "Investment properties" (measured at fair value) and certain financing assets classified as "fair value through income statement".

c) Functional and presentational currency

These consolidated financial statements are presented in Qatari Riyals ("QAR"), which is the Bank's functional and presentational currency. Except as indicated otherwise, financial information presented in QAR has been rounded to the nearest thousands.

d) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with FAS requires management to make judgments, 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described in note 5.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by Group entities.

a) New standards and interpretations

i. New standards adopted by the Group

- ***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 year. 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.

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 consolidated financial statements.

ii. 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

a) New standards and interpretations (continued)

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

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

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.

- ***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 facilities 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

b) Basis of consolidation

i. Business combinations

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

ii. Business combinations and goodwill

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in consolidated statement of income. Any investment retained is recognised at fair value.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

b) Basis of consolidation (continued)

ii. Business combinations and goodwill (continued)
Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

iii. Associates
An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating decisions of the investee, but not to control or joint control over those polices. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost (including transaction costs directly related to acquisition of investment in associate). The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated statement of income; its share of post-acquisition movements in reserve is recognised in equity. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in associate is impaired. If this is the case the Group calculates the amount of impairment as being the difference between the fair value of the associate and the carrying value and recognises the amount in the consolidated statement of income.

Intergroup gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Intragroup losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. For preparation of these consolidated financial statements, same accounting policies for similar transactions and other events in similar circumstances are used. Gains and losses on decline of shareholding are recognised in the consolidated statement of income.

The Group's share of the results of associates is based on financial statements available up to a date not earlier than three months before the date of the consolidated statement of financial position, adjusted to conform to the accounting policies of the Group.

iv. Funds management
The Group manages and administers assets held in unit trusts and other investment vehicles on behalf of investors. The financial statements of these entities are not included in these consolidated financial statements except when the Group controls the entity.

c) Foreign currency

i. Foreign currency transactions and balances
Foreign currency transactions are denominated, or that require settlement in a foreign currency are translated into the respective functional currencies of the operations at the spot exchange rates at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The gains and losses on revaluation of foreign currency non-monetary fair value through other comprehensive income investments are recognised in the consolidated statement of changes in equity. Foreign currency differences resulting from the settlement of foreign currency transactions and arising on translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of income.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

c) Foreign currency (continued)

ii. Foreign operations

The results and financial position of all the Group's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in this case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising from the above process are reported in equity as 'foreign currency translation reserve'.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of financing and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income . When a foreign operation is disposed of, or partially disposed of, such exchange differences are recognised in the consolidated statement of income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the spot closing rate.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of the net investment in the foreign operation and are recognised in other comprehensive income , and presented in the foreign exchange translation reserve in owners' equity.

d) Investment securities

Investment securities comprise investments in debt-type and equity-type financial instruments.

i. Classification

Under FAS 33 "*Investment in Sukuks, shares and similar instruments",* each investment is to be categorized as investment in:

(a) equity-type instruments;
(b) debt-type instruments, including (monetary and non-monetary):
(c) other investment instruments

Unless irrevocable initial recognition choices provided in para 10 of the standard are exercised, an institution shall classify investments as subsequently measured at either of (i) amortised cost, (ii) fair value through other comprehensive income or (iii) fair value through income statement, on the basis of both:

(a) the Bank's business model for managing the investments; and
(b) the expected cash flow characteristics of the investment in line with the nature of the underlying Islamic finance contracts.

Amortised cost

An investment shall be measured at amortised cost if both of the following conditions are met:

(a) the investment is held within a business model whose objective is to hold such investment in order to collect expected cashflows till maturity of the instrument; and
(b) the investment represents either a debt-type instrument or other investment instrument having reasonable determinable effective yield.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

d) Investment securities (continued)

i. Classification (continued)

Fair value through other comprehensive income
An investment shall be measured at fair value through other comprehensive income cost if both of the following conditions are met:

(a) the investment is held within a business model whose objective is achieved by both collecting expected cash flows and selling the investment; and
(b) the investment represents a non-monetary debt-type instrument or other investment instrument having reasonable determinable effective yield.

Fair value through income statement
An investment shall be measured at fair value through income statement unless it is measured at amortised cost or at fair value through comprehensive income or if irrevocable classification at initial recognition is applied.

Irrevocable classification at initial recognition
The Group may make an irrevocable election to designate a particular investment, at initial recognition, being:

(a) an equity-type instrument that would otherwise be measured at fair value through income statement, to present subsequent changes in fair value through other comprehensive income; and
(b) a non-monetary debt-type instrument or other investment instrument, as measured at fair value through income statement if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or correlated liabilities or recognizing the gains and losses on them on different bases.

ii. Recognition and derecognition
Investment securities are recognised at the trade date i.e. the date that the Group contracts to purchase or sell the asset, at which date the Group becomes party to the contractual provisions of the instrument. Investment securities are derecognised when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risk and rewards of ownership.

iii. Measurement

Initial recognition
Investment securities are initially recognised at fair value plus transaction costs, except for transaction costs incurred to acquire investments at fair value through income statement which are charged to consolidated statement of income.

Subsequent measurement
Investments at fair value through income statement are remeasured at fair value at the end of each reporting period and the resultant remeasurement gains or losses is recognised in the consolidated statement of income in the period in which they arise. Subsequent to initial recognition, investments classified at amortised cost are measured at amortised cost using the effective profit method less any impairment allowance. All gains or losses arising from the amortisation process and those arising on de-recognition or impairment of the investments, are recognised in the consolidated statement of income.

Fair value through other comprehensive income
Investments at fair value through other comprehensive income are remeasured at their fair values at the end of each reporting period and the resultant gain or loss, arising from a change in the fair value of investments are taken through other comprehensive income and presented in a separate fair value reserve within equity.

The Group may elect to present in statement of changes in equity changes in the fair value of certain investments in equity-type instruments that are not held for trading. The election is made on an instrument by instrument basis on initial recognition and is irrevocable. Gains and losses on such equity-type instruments are never subsequently reclassified to consolidated income statement, including on disposal. However, cumulative gains and losses recognised in fair value reserve are transferred to retained earnings on disposal of an investment.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

d) Investment securities (continued)

iii. Measurement (continued)

Fair value through other comprehensive income (continued)
Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in consolidated income statement, unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in statement of changes in equity.

Whereas for debt type investments classified as fair value through other comprehensive income, the cumulative gain or loss previously recognized in the consolidated statement of changes in equity is transferred to the consolidated statement of income.

iv. Measurement principles

Amortised cost measurement
The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus capital repayments, plus or minus the cumulative amortisation using the effective profit method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment. The calculation of the effective profit rate includes all fees and points paid or received that are an integral part of the effective profit rate.

Fair value measurement
Fair value is the amount for which an asset could be exchanged or an obligation settled between well informed and willing parties (seller and buyer) in an arm's length transaction. The Group measures the fair value of quoted investments using the market bid price for that instrument at the close of business on the consolidated statement of financial position date. For investment where there is no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument, which is substantially the same or is based on the assessment of future cash flows. The cash equivalent values are determined by the Group by discounting future cash flows at current profit rates for contracts with similar term and risk characteristics.

e) Financing assets

Financing assets comprise Shari'a compliant financing provided by the Group. These include financing provided through Murabaha, Mudaraba, Musharaka, Musawama, Ijarah, Istisna'a, Wakala and other modes of Islamic financing. Financing assets are stated at their amortised cost less impairment allowances (if any) with the exception of certain Murabaha financings which are classified and measured at fair value through income statement (FVTIS).

Murabaha and Musawama
Murabaha and Musawama receivables are sales on deferred terms. The Group arranges a Murabaha and Musawama transaction by buying a commodity (which represents the object of the Murabaha) and selling it to the Murabeh (a beneficiary) at a margin of profit over cost. The sales price (cost plus the profit margin) is repaid in installments by the Murabeh over the agreed period. Based on QCB regulations, the Group applies the rule of binding the purchase orderer to its promise in the Murabaha sale, and does not enter into any Murabaha transaction in which the purchase orderer does not undertake to accept the goods if they meet the specifications.

Musawama receivables are stated net of deferred profits and impairment allowance (if any). On initial recognition Murabaha receivables are classified and measured at:

- Amortised cost when the contractual terms of the Murabaha receivables give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding; or
- Fair value through income statement ("FVTIS") when the contractual terms of the Murabaha receivables does not give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

Mudaraba
Mudaraba financing are partnerships in which the Group contributes the capital. These contracts are stated at fair value of consideration given less impairment allowance (if any).

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

e) Financing assets (continued)

Musharaka
Musharaka *financing* are partnerships in which the Group contributes the capital. These contracts are stated at fair value of consideration given less impairment allowance (if any).

Ijarah
Ijarah receivables arise from financing structures when the purchase and immediate lease of an asset are at cost plus an agreed profit (in total forming fair value). The amount is settled on a deferred payment basis. Ijarah receivables are carried at the aggregate of the minimum lease payments, less deferred income (in total forming amortised cost) and impairment allowance (if any).

Istisna'a
Istisna'a is a sales contract in which the Group acts as 'al-sani' (a seller) with an 'al-mustasni' (a purchaser) and undertakes to manufacture or otherwise acquire a product based on the specification received from the purchaser, for an agreed upon price.

Wakala
Wakala contracts represent agency agreements between two parties. One party, the provider of funds (Muwakkil) appoints the other party as an agent (Wakeel) with respect to the investment of the Muwakkil funds in a Shari'a compliant transaction. The Wakeel uses the funds based on the nature of the contract and offer an anticipated return to the Muwakkil. Wakala contracts are stated at amortised cost.

f) Other financial assets and liabilities

i. Recognition and initial measurement
The Group initially recognises due from banks, financing assets, customers' current accounts, due to banks, Sukuk financing and certain other assets and other liabilities on the date at which they are originated. All other financial assets and liabilities are initially recognised on the settlement date at which the Group becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through income statement, transaction costs that are directly attributable to its acquisition or issue.

After initial measurement, other financial assets and liabilities are subsequently measured at amortised cost using the effective profit rate method net of any amounts written off and provision for impairment.

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability in the consolidated statement of financial position. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred) and consideration received (including any new asset obtained less any new liability assumed) is recognised in consolidated statement of income.

ii. De-recognition of financial assets and financial liabilities
The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability in the consolidated statement of financial position. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred) and consideration received (including any new asset obtained less any new liability assumed) is recognised in consolidated statement of income.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

f) Other financial assets and liabilities (continued)

ii. De-recognition of financial assets and financial liabilities (continued)

The Group enters into transactions whereby it transfers assets recognised on its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised.

In transactions in which the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions the Group retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract, depending on whether the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

iii. Offsetting

Financial assets and liabilities are offset only when there is a legal enforceable right to set off the recognised amounts and the Group intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

iv. Modification of financial assets and liabilities

Financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value, and recalculates a new effective profit rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purpose, including for the purpose of determining whether a significant increase in credit risk has occurred.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset based on the revised cash flows of the financial assets and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the consolidated income statement. If such a modification is carried out because of financial difficulties of the financed counterparty, then the gain or loss is presented together with impairment losses. In other cases, it is presented as net income from financing activities.

Financial liabilities

The Group derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the consolidated income statement.

g) Impairment of financial assets (other than equity-type investments classified as fair value through other comprehensive income)

The Group recognises loss allowances for expected credit loss (ECL) on the following financial instruments that are not measured at fair value through income statement:

- Financial assets that are debt-type instruments;
- Financial guarantee contracts issued; and
- Financing commitments issued.

Impairment and ECL are used interchangeably throughout these consolidated financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

g) Impairment of financial assets (other than equity-type investments classified as fair value through other comprehensive income) (continued)

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt-type investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Measurement of ECL
ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- <u>Financial assets that are not credit-impaired at the reporting date:</u> as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- <u>Financial assets that are credit-impaired at the reporting date:</u> as the difference between the gross carrying amount and the present value of estimated future cash flows;
- <u>Undrawn financing commitments:</u> as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- <u>Financial guarantee contracts:</u> the expected payments to reimburse the holder less any amounts that the Group expects to recover.

Restructured financial assets
If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the financed counterparty, then an assessment is made of whether the financial asset should be derecognized and ECL are measured as follows:

▪ If the expected restructuring will not result in derecognition of existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from existing asset;
▪ If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective profit rate of the existing financial asset.

Credit-impaired financial assets
At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the financed counterparty or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a financing asset by the Group on terms that the Group would not consider otherwise;
- It is becoming probable that the financed counterparty will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

h) Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the consolidated statement of financial position.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

i) Investment properties

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

j) Risk Management Instruments

The Group enters into certain Islamic derivative financial instruments to manage the exposure to foreign exchange rate risks, including unilateral promise to buy/sell currencies. These transactions are translated at prevailing spot exchange rates.

k) Fixed assets

Recognition and measurement
Items of fixed assets are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the assets and restoring the site on which they are located and capitalised financing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of related equipment. When parts of an item of fixed asset have different useful lives, they are accounted for as separate items (major components) of fixed assets.

The gain or loss on disposal of an item of fixed asset is determined by comparing the proceeds from disposal with the carrying amount of the item of fixed assets, and is recognised in other income/other expenses in the consolidated statement of income.

Subsequent costs
The cost of replacing a component of fixed asset is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of fixed assets are recognised in consolidated statement of income as incurred.

Depreciation is recognised in consolidated statement of income on a straight-line basis over the estimated useful lives of each part of an item of fixed assets since this closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset and is based on cost of the asset less its estimated residual value. Leased assets under finance leases are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives for the current and comparative years are as follows:

	Years
Buildings	20
IT equipment	3-5
Fixtures and fittings	5-7
Motor vehicles	5

Useful lives and residual values are reassessed at each reporting date and adjusted prospectively, if appropriate.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

l) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the consolidated statement of income in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of income in the expense category consistent with the nature of the intangible asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life from indefinite to finite is made on a prospective basis.

A summary of the useful lives and amortisation methods of Group's intangible assets are as follows:

	Goodwill	***Trade mark***	***Software***
Useful lives	Indefinite	Finite (10 years)	Finite (3 – 5 years)
Amortization method used	Tested for impairment either individually or at cash generating unit level	Amortized on a straight line basis over the periods of availability	Amortized on a straight line basis over the periods of availability
Internally generated or acquired	Acquired	Acquired	Acquired

m) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its Cash Generating Unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

m) Impairment of non-financial assets (continued)

Impairment losses are recognised in consolidated statement of income. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

n) Customer current accounts

Balances in current accounts are recognised when received by the Group. The transactions are measured as the amount received by the Group at the time of contracting. At the end of the reporting period, these accounts are measured at amortised cost.

o) Quasi-equity

Quasi-equity are funds held by the Group, which it can invests at its own discretion. Quasi-equity account holders authorises the Group to invest the Quasi-equity funds in a manner which the Group deems appropriate without laying down any restrictions as to where, how and for what purpose the funds should be invested.

The Group charges a management fee (Mudarib fees) to Quasi-equity of the total income from Quasi-equity accounts, the income attributable to Quasi-equity is allocated to investment accounts after setting aside provisions and deducting the Group's share of income as a Mudarib. The allocation of income is determined by the management of the Group within the allowed profit sharing limits as per the terms and conditions of the Quasi-equity.

p) Distribution of profit between Quasi-equity and shareholders

The Group complies with the directives of the QCB as follows:

- Net profit is arrived at after taking into account all income and expenses at the end of the financial year and is distributed between Quasi-equity and shareholders.
- The share of profit of Quasi-equity is calculated on the basis of their daily deposit balances over the year, after reducing voluntarily the Group's agreed and declared Mudaraba share.
- In case of any expense or loss, which arises out of negligence on the part of the Group due to non-compliance with QCB regulations and instructions, then such expenses or loss, shall not be borne by the Quasi-equity. Such matter is subject to the QCB decision.
- In case the results of the Group at year end are net losses, then QCB, being the authority responsible for determining the Bank's accountability for these losses, shall decide how these shall be treated without violation to the Islamic Shari'a rules.
- Due to pooling of Quasi-equity funds with the Group's funds for the purpose of investment, no priority has been given to either party in the appropriation of profit.

All assets are jointly financed by participatory investment account holders and equity holders.

q) Off-balance-sheet assets under management

Off-balance-sheet assets under management represents funds received by the Group from third parties for investment in specified products as directed by the investment account holders. These assets are managed in a fiduciary capacity and the institution has no entitlement to these assets. Clients bear all of the risks and earn all of the rewards on these investments. Off-balance-sheet assets under management are not included in the consolidated statement of financial position since the Group does not have the right to use or dispose these investments except within the conditions of the contract between the Group and its clients.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

r) Sukuk financing

Sukuk financing represents common shares in the ownership of identified assets or benefits or services which bears an agreed semi-annual profit and mature after 5 years on dates fixed on the issuance date. Profits are recognised periodically till maturity. Sukuks are recognised at amortised cost. Sukuks are disclosed as a separate line in the consolidated financial statements as "Sukuk financing".

s) Provisions

Provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

t) Employee benefits

i. Defined contribution plans

The Group provides for its contribution to the State administered retirement fund for Qatari employees in accordance with the retirement law, and the resulting charge is included within the staff costs in the consolidated statement of income. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised when they are due.

ii. Employees' end of service benefits

The Group provides a provision for all end of service benefits payable to employees in accordance with the Group's policies, calculated on the basis of individual employee's salary and period of service at the reporting date.

iii. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

u) Share capital and reserves

Dividends on ordinary shares

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the shareholders' of the Bank.

v) Revenue recognition

Murabaha and Musawama

Profit from Murabaha and Musawama transactions is recognised when the income is both contractually determinable and quantifiable at the commencement of the transaction. Such income is recognised on a time-apportioned basis over the period of the transaction. Income related to non-performing accounts is excluded from the consolidated statement of income.

Mudaraba

Income on Mudaraba financing is recognised when the right to receive payment is established or on distribution by the Mudarib, whereas losses are charged to the consolidated statement of income on declaration by the Mudarib. In case Mudaraba capital is lost or damaged prior to the inception of work without misconduct or negligence on the part of Mudarib, then such losses are deducted from Mudaraba capital and are treated as loss to the Group. In case of termination or liquidation, unpaid portion by Mudarib is recognized as receivable due from Mudarib.

Musharaka

Income on Musharaka financing is recognised when the right to receive payments is established or on distribution.

Ijara

Ijara income is recognised on time-apportioned basis over the lease period. Income related to non-performing accounts is excluded from the consolidated statement of income.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

v) Revenue recognition (continued)

Istisna'a
Revenue and the associated profit margin are recognised in the Group's consolidated statement of income according to the percentage of completion method by taking in account the difference between total revenue (cash price to purchaser) and Group's estimated cost. The Group's recognises anticipated losses on Istisna'a contract as soon as they are anticipated.

Wakala
Income from Wakala placements is recognised on a time apportioned basis so as to yield an agreed periodic rate of return based on the balance outstanding.

Income from investment banking services
Income from investment banking services (presented in fee and commission income), including placement, advisory, marketing and performance fees, is recognised as per contractual terms when the service is provided and income is earned. This is usually when the Group has performed all significant acts in relation to a transaction and it is highly probable that the economic benefits from the transaction will flow to the Group. Significant acts in relation to a transaction are determined based on the terms agreed in the contracts for each transaction. The assessment of whether economic benefits from a transaction will flow to the Group is based on the extent of binding firm commitments received from other parties.

Fees and commission income
Fees and commission income that are integral to the effective profit rate on a financial asset carried at amortised cost are included in the measurement of the effective profit rate of the financial asset. Other fees and commission income, including account servicing fees, sales commission, feasibility study /management, arrangement and syndication fees, are recognized over time as the related services are performed.

Dividend income
Dividend income is recognised when the right to receive the dividend is established.

w) Tax expense

Taxes are calculated based on the tax laws and regulations in jurisdictions in which the Group operates. The amount of tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes. Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the consolidated statement of income except to the extent that it relates to items recognised directly in equity. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable consolidated income statement;
- Temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- Temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

w) Tax expense (continued)

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

x) Earnings per share

The Bank presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the shareholders after deducting the profit payable to Sukuk eligible as additional capital by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to owners and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

y) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Group Chief Executive Officer (being the chief operating decision maker) of the Group to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

z) Repossessed collateral

Repossessed collateral against settlement of financing assets are stated within the consolidated statement of financial position under "Other assets" at cost, which is the value at which it was transferred to the bank when the financing was settled.

aa) Earnings prohibited by Shari'a

The Group is committed to avoid recognising any income generated from non-Islamic sources. Accordingly, all non-Islamic income is credited to a charity account where the Group uses these funds for charitable purposes as defined by the Sharia Supervisory Board.

bb) Wakala payables

The Group accepts deposits from customers under wakala arrangement under which return payable to customers is agreed in the wakala agreement. There is no restriction on the Group for the use of funds received under wakala agreements. Wakala payables are carried at cost plus accrued profit.

cc) Financial guarantees

In the ordinary course of business, the Group gives financial guarantees, consisting of letters of credit, guarantees and acceptances. Financial guarantees are initially recognized in the consolidated financial statements at fair value, being the premium received on the date the guarantee was given, and the initial fair value is amortised over the life of the financial guarantee. Subsequent to initial recognition, the Group's liability under such guarantees are measured at the higher of the amortised amount and the best estimate of the expenditure required to settle any financial obligation arising at the reporting date. These estimates are determined based on experience of similar transactions and history of past losses, supplemented by the judgment of Management.

dd) Contingent liabilities

Contingent liabilities include guarantees, letter of credit, the Group's obligations with respect to unilateral promise to buy/sell currencies and others. Contingent liabilities are not recognized in the consolidated statement of financial position but are disclosed in the notes to the consolidated financial statements, unless they are remote.

ee) Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

ff) Shari'a – compliant risk management instruments

The bank deals with various shariah compliant risk management instruments including Forward foreign exchange promissory contracts, Profit rate promissory swaps, Cross currency promissory swaps and Options that are entered on a Wa'ad basis to hedge currency, profit rates and other financial risks

Derivatives held for Risk management Purposes and Hedge Accounting
Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value on the consolidated statement of financial position. The Group designates certain derivatives held for risk management as well as certain non-derivative financial instruments as hedging instruments in qualifying hedging relationships. On initial designation of the hedge, the Group formally documents the relationship between the hedging derivative instrument(s) and hedged item(s), including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, as to whether the hedging instrument(s) is (are) expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged item(s) during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80-125 percent. The Group makes an assessment for a cash flow hedge of a forecast transaction, as to whether the forecast transaction is highly probable to occur and presents an exposure to variations in cash flows that could ultimately affect profit or loss.

Fair Value Hedges
When a derivative is designated as the hedging instrument in a hedge of the change in fair value of a recognised asset or liability or a firm commitment that could affect profit or loss, changes in the fair value of the derivative are recognized immediately in profit or loss together with changes in the fair value of the hedged item that are attributable to the hedged risk. If the hedging derivative expires or is sold, terminated, or exercised, or the hedge no longer meets the criteria for fair value hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. Any adjustment up to that point to a hedged item, for which the effective profit method is used, is amortised to profit or loss as part of the recalculated effective profit rate of the item over its remaining life.

Cash Flow Hedges
When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the consolidated statement of financial position in the fair value reserve. The amount recognised in other comprehensive income is reclassified to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the statement of comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss. If the hedging derivative expires or is sold, terminated, or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. In a discontinued hedge of a forecast transaction the cumulative amount recognised in other comprehensive income from the period when the hedge was effective is reclassified from equity to profit or loss as a reclassification adjustment when the forecast transaction occurs and affects profit or loss. If the forecast transaction is no longer expected to occur, then the balance in other comprehensive income is reclassified immediately to the consolidated statement of income as a reclassification adjustment.

gg) Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

gg) Non-current assets held for sale and discontinued operations (continued)

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position. Cash flows included in the consolidated statement of cash flows and are disclosed separately in Note 40.

4. FINANCIAL RISK MANAGEMENT

a) Introduction and overview

Financial instruments
Financial instruments comprise of all financial assets and liabilities of the Group. Financial assets include cash and balances with central banks, due from banks, investment securities, financing assets, derivative financial assets and certain other assets. Financial liabilities include customers' current accounts, due to banks, Sukuk financing and certain other liabilities. Financial instruments also include Quasi-equity, contingent liabilities and commitments included in off balance sheet items.

Risk Management
The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risks
- Operational risk
- Other risks

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's capital.

The Group's business involves taking on risks in a targeted manner and managing them professionally. The core functions of the Group's risk management are to identify all key risks for the Group, measure these risks, manage the risk positions and determine capital allocations. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and best market practice.

The Group's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance. The Group defines risk as the possibility of losses or profits foregone, which may be caused by internal or external factors.

The Board of Directors (the "Board") has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Board has established various specialized committees that report directly to it and perform functions on its behalf to support efficient management practice which include Compensation and Remuneration Committee, Nomination and Governance Committee, and Audit, Risk and Compliance committee.

The primary objective of Compensation and Remuneration Committee is to assist the Board in its oversight responsibilities regarding Compensation and Remuneration areas by providing overall direction on the Remuneration and Benefits Strategy of the Bank, ensuring that the Compensation and Remuneration Policies and Practices are consistent with the regulatory guidelines and evaluating and recommending to the Board incentives and other equity-based plans carefully designed to attract and retain qualified and competent individuals. Develop a remuneration policy to attract, retain and motivate staff, management of the highest calibre who have the skills needed to achieve the Bank's objectives year on year. The Committee is responsible to ensure that it balances the interests of the shareholders, the Bank and its employees. The Committee meets at regular intervals during the year to perform and comply with its mandate.

Nomination and Governance Committee is responsible for assisting the Board in its oversight of the structure and composition of the Board, Board members independence, in addition to support in the implementation of the Bank's corporate governance practices.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

a) Introduction and overview (continued)

Risk management (continued)

Audit, Risk and Compliance Committee's objective is to assist the Board to fulfil its corporate governance and oversight responsibilities related to the Group. This is supported through risk management, financial reports, systems of internal control, the internal and external audit functions and the process of monitoring compliance with laws and regulations and the Group's code of business conduct. The Committee role is to report to the Board and provide appropriate advice and recommendations on matters relevant to the Audit, Risk and Compliance Committee charter in order to facilitate decision making to the Board.

The Audit, Risk and Compliance Committee is assisted in these functions by the Internal Audit and Compliance Departments.

In addition to the above mentioned committees, the management has also established a number of multi-functional internal committees such as the Management Committee, Credit & Investment Committee, Assets and Liabilities Committee (ALCO), Operational Risk Management Committee (ORMC) and Special Assets Committee (SAC) which are responsible for developing and monitoring Group's risk management policies in their specified areas.

A separate Risk Management Group, reporting to the Group Chief Executive Officer and to the Audit, Risk and Compliance Committee, assists in carrying out the oversight responsibility of the Board.

Risk Group function operates within a Board approved Risk Appetite framework. The framework identifies key risks faced by the Bank and sets accordingly appropriate risk limits and controls. The Group monitors and manages risks and adherence to limits. The Group Risk appetite framework, policies and systems are reviewed regularly, to reflect changes in market conditions, products and services offered.

The Bank's Risk Appetite and Framework statement defines the risk tolerance that translated into a framework of risk limits, targets or measures for major risk categories through the Bank and Banking Group. The setting of the risk appetite thus ensures that risk is proactively managed to the Framework.

The Board as well as Management reviews and approves the Risk Appetite and Framework on an annual basis to ensure that it is consistent with the Bank's business environment, stakeholder requirements and strategy. The risk appetite tolerance levels are set at different trigger levels, with clearly defined escalation and action schemes.

b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It arises principally from the Group's financing assets, due from banks, investment securities, contingent exposures and certain other assets.

The Group's credit risk management framework includes:

- Establishment of authorisation structure and limits for the approval and renewal of financing assets;
- Reviewing and assessing credit exposures in accordance with authorisation structure and limits, prior to facilities being committed to customers. Renewals and reviews of financing assets are subject to the same review process;
- Diversification of financing and investment activities;
- Limiting concentrations of exposure to industry sectors, geographic locations and counterparties; and
- Reviewing compliance, on an ongoing basis, with agreed exposure limits relating to counterparties, industries and countries and reviewing limits in accordance with risk management strategy and market trends.

A comprehensive framework of credit risk limits is in place that monitors the overall quality of the Bank's credit portfolio as well as the underlying portfolios. In addition, specific concentration risk appetites are defined on product, geographical and counterparty level that are cascaded down into the organization.

The Credit and Investment Committee (CIC) has day to day responsibility for all matters relating to credit risk, including Credit and Investment Policy interpretation and application, exposure portfolio monitoring and country limits. The CIC reviews and manages risk asset policies, approvals, exposures and recoveries related to credit, operational and compliance risks. It acts as a general forum for discussions of any aspect of risk facing or which could potentially face QIB resulting in reputational or financial loss to the bank. It also oversees the operations of the Operational Risk Management committee (ORMC) and the Special Assets Committee (SAC).

As at and for the year ended 31 December 2024 QAR'000

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Credit risk (continued)

In addition, the Group manages the credit exposure by obtaining security where appropriate and limiting the duration of exposure. In certain cases, the Group may also close out transactions or assign them to other counterparties to mitigate credit risk.

Regular audits of business units and Group credit processes are undertaken by Internal Audit and Compliance Divisions.

(i) Maximum exposure to credit risk before collateral held or other credit enhancements
The table below shows the maximum exposure to credit risk for the components of the consolidated statement of financial position. The maximum exposure is shown net, before the effect of mitigation through the use of master netting and collateral agreements.

Credit risk exposures relating to financial assets recorded on the consolidated statement of financial position are as follows:

	2024	2023
Balances with central banks	**7,744,417**	7,103,263
Due from banks	**2,488,250**	3,261,873
Financing assets	**125,274,016**	122,380,843
Investment securities – debt type	**51,599,360**	43,932,221
	187,106,043	176,678,200
Other credit risk exposures		
Guarantees	**10,470,912**	9,103,126
Unutilised financing facilities	**8,434,271**	8,241,818
Letters of credit	**740,849**	779,939
	19,646,032	18,124,883

The above tables represent a worse-case scenario of credit risk exposure to the Group, without taking account of any collateral held or other credit enhancements attached. For assets recorded on the consolidated statement of financial position, the exposures set out above are based on net carrying amounts as reported on the consolidated statement of financial position.

The maximum exposure to credit risk relating to a financial guarantee is the maximum amount the Group could have to pay if the guarantee is called upon. The maximum exposure to credit risk relating to a financing commitment is the full amount of the commitment. In both cases, the maximum risk exposure is significantly greater than the amount recognised as a liability in the consolidated statement of financial position.

(ii) Concentration of risks of financial assets with credit risk exposure

Geographical sectors
The following table breaks down the Group's credit exposure at their carrying amounts (without taking into account any collateral held or other credit enhancements attached), as categorised by geographical region and based on the country of domicile of its counterparties:

31 December 2024 Assets recorded on the consolidated statement of financial position:	**Qatar**	**Other GCC**	**Other Middle East**	**Others**	**Total**
Balances with central banks	**7,002,288**	**-**	**438,848**	**303,281**	**7,744,417**
Due from banks	**1,807,842**	**120,936**	**143,344**	**416,128**	**2,488,250**
Financing assets	**118,117,426**	**1,376,007**	**243,740**	**5,536,843**	**125,274,016**
Investment securities – debt type	**47,552,265**	**1,572,507**	**18,749**	**2,455,839**	**51,599,360**
	174,479,821	**3,069,450**	**844,681**	**8,712,091**	**187,106,043**

As at and for the year ended 31 December 2024 QAR'000

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Credit risk (continued)

(ii) Concentration of risks of financial assets with credit risk exposure (continued)

Geographical sectors (continued)

31 December 2023 Assets recorded on the consolidated statement of financial position:	Qatar	Other GCC	Other Middle East	Others	Total
Balances with central banks	6,496,294	-	392,817	214,152	7,103,263
Due from banks	2,458,526	4,276	94,150	704,921	3,261,873
Financing assets	115,053,618	1,119,866	267,224	5,940,135	122,380,843
Investment securities – debt type	40,590,381	1,223,255	33,634	2,084,951	43,932,221
	164,598,819	2,347,397	787,825	8,944,159	176,678,200

31 December 2024

Off balance sheet items	**Qatar**	**Other GCC**	**Other Middle East**	**Others**	**Total**
Guarantees	**7,273,946**	**2,186,975**	**110,141**	**899,850**	**10,470,912**
Unutilised financing facilities	**8,430,617**	**-**	**-**	**3,654**	**8,434,271**
Letters of credit	**740,849**	**-**	**-**	**-**	**740,849**
	16,445,412	**2,186,975**	**110,141**	**903,504**	**19,646,032**

31 December 2023

Off balance sheet items	Qatar	Other GCC	Other Middle East	Others	Total
Guarantees	7,495,705	628,121	109,493	869,807	9,103,126
Unutilised financing facilities	8,238,709	-	-	3,109	8,241,818
Letters of credit	775,308	-	-	4,631	779,939
	16,509,722	628,121	109,493	877,547	18,124,883

Industry sectors

An industry sector analysis of the Group's maximum exposure to credit risk for the components of the consolidated statement of financial position is shown below. The maximum exposure is shown net, before the effect of mitigation through the use of master netting and collateral agreements.

	Net exposure 2024	Net exposure 2023
Funded and unfunded:		
Government	**63,579,372**	56,953,519
Non-banking Financial Institutions	**9,778,764**	10,134,061
Industry	**4,070,876**	4,095,671
Commercial	**14,760,907**	13,447,924
Services	**24,849,762**	23,877,849
Contracting	**5,359,577**	6,416,162
Real estate	**27,114,152**	26,430,259
Retail	**35,772,938**	33,464,166
Others	**1,819,695**	1,858,589
Contingent liabilities	**19,646,032**	18,124,883
Total	**206,752,075**	194,803,083

As at and for the year ended 31 December 2024 QAR'000

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Credit risk (continued)

(ii) Concentration of risks of financial assets with credit risk exposure (continued)

The tables below presents an analysis of counterparties by rating agency designation:

	2024	2023
Equivalent grades		
AAA to AA-	**68,593,488**	62,977,567
A+ to A-	**9,585,443**	5,545,879
BBB to BBB-	**98,274,414**	92,576,996
BB+ to B-	**22,286,133**	24,651,403
Unrated	**8,012,597**	9,051,238
Total	**206,752,075**	194,803,083

(iii) Credit quality

The credit quality of financial assets is managed by Group using internal and external credit risk ratings. The Group follows an internal rating mechanism for grading relationship across its credit portfolio.

The Group utilises a scale ranging from 1 to 10 for credit relationship with 1 to 7 denoting performing grades, 8, 9 and 10 denoting non-performing. All credits are assigned a rating in accordance with defined criteria.

The Group endeavours continuously to improve upon internal credit risk rating methodologies and credit risk management policies and practices to reflect the true underlying credit risk of the portfolio and the credit culture in the Group. All financing relationships are reviewed at least once in a year and more frequently in case of non-performing assets.

As at and for the year ended 31 December 2024 QAR'000

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Credit risk (continued)

(iii) Credit quality (continued)

Credit quality analysis
The following table provides the details for the credit quality:

	2024				2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Financing assets								
Performing (Grades 1 to 7)								
Gross amount	**130,909,323**	**24,510,365**	**-**	**155,419,688**	117,087,514	31,398,772	-	148,486,286
Deferred profit	**(18,196,540)**	**(6,675,078)**	**-**	**(24,871,618)**	(13,790,139)	(7,392,384)	-	(21,182,523)
Carrying amount	**112,712,783**	**17,835,287**	**-**	**130,548,070**	103,297,375	24,006,388	-	127,303,763
Non-performing (Grade 8 to 10)								
Gross amount	**-**	**-**	**2,556,441**	**2,556,441**	-	-	2,258,299	2,258,299
Deferred profit	**-**	**-**	**(81,741)**	**(81,741)**	-	-	(90,514)	(90,514)
Carrying amount	**-**	**-**	**2,474,700**	**2,474,700**	-	-	2,167,785	2,167,785
Allowance for impairment	**(3,924,480)**	**(1,473,870)**	**(2,289,858)**	**(7,688,208)**	(3,966,408)	(1,226,864)	(1,826,015)	(7,019,287)
Suspended profit	**-**	**-**	**(60,546)**	**(60,546)**	-	-	(71,418)	(71,418)
Net carrying amount	**108,788,303**	**16,361,417**	**124,296**	**125,274,016**	99,330,967	22,779,524	270,352	122,380,843
Investment securities – Debt type (amortised cost)								
Performing (AAA to B- and NR)	**49,140,002**	**-**	**-**	**49,140,002**	41,919,206	-	-	41,919,206
Non-performing (CCC+ to D)	**-**	**-**	**41,629**	**41,629**	-	-	109,337	109,337
	49,140,002	**-**	**41,629**	**49,181,631**	41,919,206	-	109,337	42,028,543
Allowance for impairment	**(943)**	**-**	**(40,493)**	**(41,436)**	(1,247)	-	(104,270)	(105,517)
Carrying amount	**49,139,059**	**-**	**1,136**	**49,140,195**	41,917,959	-	5,067	41,923,026

As at and for the year ended 31 December 2024 QAR'000

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Credit risk (continued)

(iii) Credit quality (continued)

	2024				2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Due from central banks								
Performing (AAA to B- and NR)	**7,308,059**	**-**	**-**	**7,308,059**	6,710,446	-	-	6,710,446
Non-performing (CCC+ to D)	**-**	**-**	**686,855**	**686,855**	-	-	630,389	630,389
	7,308,059	**-**	**686,855**	**7,994,914**	6,710,446	-	630,389	7,340,835
Allowance for impairment	**-**	**-**	**(248,007)**	**(248,007)**	-	-	(237,572)	(237,572)
Carrying amount	**7,308,059**	**-**	**438,848**	**7,746,907**	6,710,446	-	392,817	7,103,263
Due from banks								
Performing (AAA to B- and NR)	**2,480,415**	**7,965**	**-**	**2,488,380**	3,210,019	51,971	-	3,261,990
Non-performing (CCC+ to D)	**-**	**-**	**19,665**	**19,665**	-	-	19,665	19,665
	2,480,415	**7,965**	**19,665**	**2,508,045**	3,210,019	51,971	19,665	3,281,655
Allowance for impairment	**(130)**	**-**	**(19,665)**	**(19,795)**	(117)	-	(19,665)	(19,782)
Carrying amount	**2,480,285**	**7,965**	**-**	**2,488,250**	3,209,902	51,971	-	3,261,873
Financing commitments and financial guarantee								
Performing (Grades 1 to 7)	**18,055,194**	**1,424,145**	**-**	**19,479,339**	16,151,503	1,820,248	-	17,971,751
Non-performing (Grade 8 to 10)	**-**	**-**	**166,693**	**166,693**	-	-	153,132	153,132
	18,055,194	**1,424,145**	**166,693**	**19,646,032**	16,151,503	1,820,248	153,132	18,124,883
Allowance for impairment	**(2,508)**	**(7,455)**	**(102,224)**	**(112,187)**	(4,006)	(23,752)	(53,762)	(81,520)
Carrying amount	**18,052,686**	**1,416,690**	**64,469**	**19,533,845**	16,147,497	1,796,496	99,370	18,043,363

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Credit risk (continued)

(iii) Credit quality (continued)

Cash and cash equivalents
The Group held cash and balances with central bank QAR 2,115 million at 31 December 2024 (2023: QAR 1,508 million). These balances are held with counterparties that are rated at least AA- to AA++, based on external rating agencies except QAR 543 million (2023: QAR 427 million) which is unrated.

Collateral
The Group obtains collateral and other credit enhancements in ordinary course of business from counterparties. On an overall basis, during the year there was no deterioration in the quality of collateral held by the Group. In addition, there were no changes in collateral policies of the Group.

The fair value of the collateral held against credit-impaired financing assets as at 31 December 2024 is QAR 165.9 million (2023: QAR 248.3 million). The contractual amount of financial assets written off during the year, subject to enforcement activity as at 31 December 2024 is QAR 195.1 million (2023: QAR 344 thousand).

Renegotiated financing assets
Restructuring activities include extended payment arrangements, approved external management plans, and modification and deferral of payments. Restructuring policies and practices are based on indicators or criteria that, in the judgment of management, indicate that payment will most likely continue. These policies are kept under continuous review.

(iv) Repossessed collateral

Repossessed properties are sold as soon as practicable subject to market conditions and as per regulatory requirements. Repossessed properties are classified in the consolidated statement of financial position within other assets.

(v) Write-off policy

The Group writes off a financing asset or an investment in debt-type security balance, and any related allowances for impairment losses, when the Group determines that the financing asset or security is uncollectible and after QCB approval is obtained.

This determination is made after considering information such as the occurrence of significant changes in the financed counterparty's / issuer's financial position such that the financed counterparty/ issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. For smaller balance standardised financing assets, write-off decisions generally are based on a product-specific past due status.

(vi) Inputs, assumptions and techniques used for estimating impairment

<u>Significant increase in credit risk</u>
When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis including internal credit risk grading system, external risk ratings, where available, delinquency status of accounts, credit judgement and, where possible, relevant historical experience. The Group may also determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

In determining whether credit risk has increased significantly since initial recognition following criteria are considered:

i. Two notches downgrade for rating from 1 to 4 or one notch downgrade for ratings from 5 and 6
ii. Facilities restructured during previous twelve months
iii. Facilities overdue by more than 60 days as at the reporting date
iv. Any other reason as per management discretion that evidence a significant increase in credit risk

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Credit risk (continued)

(vi) Inputs, assumptions and techniques used for estimating impairment (continued)

Credit risk grades
Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of financed counterparty. Exposures are subject to on-going monitoring, which may result in an exposure being moved to a different credit risk grade.

Generating the term structure of Probability of Default (PD)
The Group employs statistical models to analyse the data collected and generate estimates of PD of exposures and how these are expected to change as a result of the passage of time. This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors, across various geographies in which the Group has exposures.

Renegotiated financial assets
The contractual terms of a financing may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing financing whose terms have been modified may be derecognized and the renegotiated financing recognized as a new financing at fair value. Where possible, the Group seeks to restructure financing rather than to take possession of collateral, if available. This may involve extending the payment arrangements and documenting the agreement of new financing conditions. Management continuously reviews renegotiated financing to ensure that all criteria are met and that future payments are likely to occur.

The accounts which are restructured due to credit reasons in past 12 months will be classified under Stage 2.

Definition of default
The Group considers a financial asset to be in default when:

- the financed counterparty is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financed counterparty is past due more than 90 days on any material credit obligation to the Group.
- rated internally as 8, 9 or 10 corresponding to the Qatar Central Bank (QCB) categories of substandard, doubtful and loss, respectively.

In assessing whether a financed counterparty is in default, the Group considers indicators that are:

- quantitative – e.g. overdue status and non-payment on another obligation of the same issuer to the Group; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances. The definition of default largely aligns with that applied by the Group for regulatory capital purposes.

Forward-looking information incorporated in the ECL models
The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Bank has performed historical correlation analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. These economic variable were tested for both direction of association and level of association with the Bank's own portfolio and market level default rates.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instruments. Forecasts of these economic variables (the "base economic scenario") are updated from the World Economic Outlook: IMF country data and economic forecast periodically published by US Energy Information Administration (EIA) and Qatar Central Bank, which provide the best estimate view of the economy and commodity prices over the coming one to five years. The macro-economic variable forecasts till remaining lifetime of the exposures post five years is obtained through time series analysis i.e. moving average/ mean reversion as applicable. The impact of these economic variables on the PD is obtained by using the Merton-Vasicek structural model for all the portfolios.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Credit risk (continued)

(vi) Inputs, assumptions and techniques used for estimating impairment (continued)

Forward-looking information incorporated in the ECL models (continued)
The Bank has considered the effect of the probable uncertainties due to the geopolitical conflicts and global profit rates surge through the stressed scenario construction and weights. The Bank has used latest economic forecasts published in October 2024, which includes the continued impact of economic contraction globally due to the rising inflation. The outlook for Qatar remains positive and growth is expected to continue in a robust manner over the next 5 years. The management continues to maintain a cautious outlook and the cumulative probability of all the plausible downturn scenario considering the Base forecast as the starting point has been considered as the probability weight of the stressed scenario to address worries of economic downturn.

In addition to the base economic scenario, the Bank's Credit risk team also provide other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure plausible events are captured. The number of scenarios and their attributes are reassessed at each reporting date. At 31 December 2024, for all portfolios, the Bank has considered three scenarios that appropriately captures the uncertainties in the macro-economic forecasts i.e. Base scenario: considering the published macro-economic forecasts, improved scenario and stressed scenario: considering the long term observed volatility in macro-economic forecast. The scenario weightings are determined by a combination of statistical analysis, taking account of the range of possible outcomes each chosen scenario is representative of. The scenario weights considered for the ECL calculation as of 31 December 2024 are Base Scenario: 50-70%, Improved Scenario: 22-27% and Stressed Scenario: 7-23%. The assessment of SICR is performed based on credit risk assessment following QCB IFRS 9 guidelines to determine whether the financial instrument is in Stage 1, Stage 2, or Stage 3 and whether 12-month or lifetime ECL should be recorded. Following this assessment, the Bank measures ECL as either a 12-month ECL (Stage 1) or lifetime ECL (Stage 2).

As with any economic forecasts, the likelihoods of the Base forecast are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Bank considers these forecasts to represent its best estimate of the possible outcomes and the scenarios are considered to be capturing the uncertainties in the Base forecast.

Economic variable assumptions
The most significant period-end forecasts used for the ECL estimate as at 31 December 2024 were average Oil prices (2025-2026: $85.9/Barrel), Percentage of Private Sector Credit Concentration (2025-26: 64.4%) and Percentage Change in Volume of Export (2025-26: 11.6%)

Measurement of ECL
The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of Default (PD);
- Loss Given Default (LGD);
- Exposure At Default (EAD).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

PD estimates are estimates at a certain date, which are calculated based on statistical rating models. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors and are supplemented by external PD data where available.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. 50% LGD used is in line with BCBS (Basel Committee) suggested unsecured LGD of 45%. The LGD models consider forecasted collateral values for Real Estate collateral class and the bank assumes that the high haircut percentages applied to collateral values as per QCB is compensating of any other factors affecting LGD as discount factor, recovery or administrative costs.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Credit risk (continued)

(vi) Inputs, assumptions and techniques used for estimating impairment (continued)

Economic variable assumptions (continued)

Measurement of ECL (continued)

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. For lending commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts.

As at and for the year ended 31 December 2024 QAR'000

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Credit risk (continued)

Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instruments. Comparative amounts represent allowance account for credit losses and reflect measurement basis under relevant FAS.

	2024				2023			
Financing assets	**Stage 1**	**Stage 2**	**Stage 3**	**Total ECL**	Stage 1	Stage 2	Stage 3	Total ECL
Balance at 1 January	**3,966,408**	**1,226,864**	**1,826,015**	**7,019,287**	3,289,772	898,563	1,773,853	5,962,188
Transfers to Stage 1	**53,642**	**(53,642)**	**-**	**-**	19,986	(19,791)	(195)	-
Transfers to Stage 2	**(6,900)**	**41,674**	**(34,774)**	**-**	(115,785)	145,774	(29,989)	-
Transfers to Stage 3	**(2,541)**	**(104,338)**	**106,879**	**-**	(4,180)	(10,917)	15,097	-
Impairment allowance for the year, net	**(84,956)**	**363,476**	**586,802**	**865,322**	776,850	213,276	67,833	1,057,959
Amounts written off	**-**	**-**	**(195,064)**	**(195,064)**	-	-	(344)	(344)
Foreign currency and other adjustments	**(1,173)**	**(164)**	**-**	**(1,337)**	(235)	(41)	(240)	(516)
Balance at 31 December	**3,924,480**	**1,473,870**	**2,289,858**	**7,688,208**	3,966,408	1,226,864	1,826,015	7,019,287

	2024				2023			
Debt type investments carried at amortised cost	**Stage 1**	**Stage 2**	**Stage 3**	**Total ECL**	Stage 1	Stage 2	Stage 3	Total ECL
Balance at 1 January	**1,247**	**-**	**104,270**	**105,517**	455	-	103,222	103,677
Impairment allowance /(reversal) for the year, net	**(256)**	**-**	**1,966**	**1,710**	792	-	1,048	1,840
Classified under assets held for sale	**(48)**	**-**	**(65,743)**	**(65,791)**	-	-	-	-
Balance at 31 December	**943**	**-**	**40,493**	**41,436**	1,247	-	104,270	105,517

As at and for the year ended 31 December 2024 QAR'000

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Credit risk (continued)

Loss allowance (continued)

	2024				2023			
Due from central banks	**Stage 1**	**Stage 2**	**Stage 3**	**Total ECL**	Stage 1	Stage 2	Stage 3	Total ECL
Balance at 1 January	**-**	**-**	**237,572**	**237,572**	-	-	232,172	232,172
Impairment allowance for the year, net	**-**	**-**	**10,435**	**10,435**	-	-	5,400	5,400
Balance at 31 December	**-**	**-**	**248,007**	**248,007**	-	-	237,572	237,572

	2024				2023			
Due from banks	**Stage 1**	**Stage 2**	**Stage 3**	**Total ECL**	Stage 1	Stage 2	Stage 3	Total ECL
Balance at 1 January	**117**	**-**	**19,665**	**19,782**	329	1	19,665	19,995
Impairment allowance/ (Reversal) for the year, net	**13**	**-**	**-**	**13**	(212)	(1)	-	(213)
Balance at 31 December	**130**	**-**	**19,665**	**19,795**	117	-	19,665	19,782

	2024				2023			
Off balance sheet exposures subject to credit risk	**Stage 1**	**Stage 2**	**Stage 3**	**Total ECL**	Stage 1	Stage 2	Stage 3	Total ECL
Balance at 1 January	**4,006**	**23,752**	**53,762**	**81,520**	14,470	4,361	48,437	67,268
Transfers to Stage 1	**2**	**(2)**	**-**	**-**	740	(740)	-	-
Transfers to Stage 2	**(2)**	**2**	**-**	**-**	(11,409)	11,409	-	-
Transfers to Stage 3	**-**	**(1,578)**	**1,578**	**-**	-	(51)	51	-
(Reversal)/ Impairment allowance for the year, net	**(1,498)**	**(14,719)**	**46,884**	**30,667**	205	8,773	5,274	14,252
Balance at 31 December	**2,508**	**7,455**	**102,224**	**112,187**	4,006	23,752	53,762	81,520

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

c) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its obligations when they fall due as a result of e.g. customer deposits being withdrawn, cash requirements from contractual commitments, or other cash outflows, such as debt maturities or margin calls for risk management instruments etc. Such outflows would deplete available cash resources for client financing, trading activities and investments. In extreme circumstances, lack of liquidity could result in reductions in the consolidated statement of financial position and sales of assets, or potentially an inability to fulfil financing commitments.

The risk that the Group will be unable to do so is inherent in all banking operations and can be affected by a range of institution-specific and market-wide events including, but not limited to, credit events, merger and acquisition activity, systemic shocks and natural disasters.

(i) Management of liquidity risk

The Group maintains a portfolio of high-quality liquid assets, largely made up of QCB Sukuk, short-term liquid trading investments, and inter-bank placements in addition to maintaining the statutory reserves with QCB and other regulators. The Market Risk Department monitors the liquidity risk of the Bank on a daily basis through a Liquidity Management dashboard which captures many liquidity parameters both under normal and stressed market conditions. The dashboard includes threshold points which will help proactively identify any liquidity constraints, the remedial actions that will be taken under each situation along with the responsible persons. All liquidity policies and procedures are subject to review and approval by ALCO and the Board of Directors.

The Group monitor its liquidity risk according to QCB's guidelines on Basel III through two key ratios, the Liquidity Coverage Ratio (LCR) to monitor the short term (30 days) resilience of the bank's liquidity and non-risk based Leverage Ratio to act as a credible supplementary measure to the risk-based capital requirements.

The Liquidity Coverage Ratio (LCR) computed as per QCB guidelines is 278.7% (2023: 312.1%)

(ii) Exposure to liquidity risk

A key measure used by the Group for managing liquidity risk is the ratio of net liquid assets to customer deposits, i.e total assets by maturities against total liabilities by maturities. For this purpose net liquid assets are considered as including cash and cash equivalents and investment grade debt-type securities for which there is an active and liquid market less any deposits from banks, Sukuk issued, other fundings and commitments maturing within the next month. A similar, but not identical, calculation is used to measure the Group's compliance with the liquidity limit established by QCB.

(iii) Maturity analysis

Maturity analysis of Group's assets, liabilities and Quasi-equity are prepared on the basis of the remaining period at 31 December to the contractual maturity date. For assets, liabilities and Quasi-equity where there is no contractually agreed maturity date, the maturity analysis is done based on the statistical maturity.

As at and for the year ended 31 December 2024 QAR'000

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

c) Liquidity risk (continued)

(iii) Maturity analysis (continued)

2024	**Up to 3 months**	**3 to 6 months**	**6 months to 1 year**	**1 to 3 years**	**Over 3 years**	**Total**
Cash and balances with central banks	**2,270,158**	**23,906**	**-**	**-**	**6,389,002**	**8,683,066**
Due from banks	**2,476,013**	**12,237**	**-**	**-**	**-**	**2,488,250**
Financing assets	**8,958,159**	**7,612,789**	**10,956,025**	**19,510,093**	**78,236,950**	**125,274,016**
Investment securities	**1,206,005**	**644,253**	**3,283,140**	**24,514,180**	**23,360,668**	**53,008,246**
Investment in associates	**-**	**-**	**-**	**-**	**1,100,365**	**1,100,365**
Investment properties	**-**	**-**	**-**	**-**	**2,467,793**	**2,467,793**
Fixed assets	**114**	**3,018**	**10,046**	**128,027**	**214,648**	**355,853**
Other assets	**322,579**	**1,956**	**26,905**	**117,473**	**1,745,229**	**2,214,142**
Assets held for sale	**297,626**	**45,038**	**517,243**	**317,701**	**4,010,437**	**5,188,045**
Total assets	**15,530,654**	**8,343,197**	**14,793,359**	**44,587,474**	**117,525,092**	**200,779,776**
Liabilities and Quasi-equity						
Liabilities						
Due to banks	**10,991,894**	**1,462,986**	**487,870**	**8,711,291**	**2,363,142**	**24,017,183**
Customers' current accounts	**16,429,048**	**-**	**-**	**-**	**-**	**16,429,048**
Sukuk financing	**3,930,942**	**-**	**3,276,000**	**164,578**	**6,370,000**	**13,741,520**
Other liabilities	**1,695,254**	**1,477**	**85,447**	**84,435**	**959,131**	**2,825,744**
Liabilities directly associated with assets held for sale	**844,821**	**37,209**	**40,650**	**1,586,053**	**921,066**	**3,429,799**
Total liabilities	**33,891,959**	**1,501,672**	**3,889,967**	**10,546,357**	**10,613,339**	**60,443,294**
Quasi-Equity	**49,644,447**	**19,207,556**	**29,134,304**	**6,656,520**	**3,922,811**	**108,565,638**
Total liabilities and Quasi-Equity	**83,536,406**	**20,709,228**	**33,024,271**	**17,202,877**	**14,536,150**	**169,008,932**
Maturity gap	**(68,005,752)**	**(12,366,031)**	**(18,230,912)**	**27,384,597**	**102,988,942**	**31,770,844**

2023	Up to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	Over 3 years	Total
Cash and balances with central banks	1,507,687	-	7,828	9,744	6,512,074	8,037,333
Due from banks	3,180,572	43,750	37,551	-	-	3,261,873
Financing assets	11,427,869	6,026,916	9,466,275	17,711,518	77,748,265	122,380,843
Investment securities	3,338,789	16,591,519	1,591,854	17,402,613	9,088,497	48,013,272
Investment in associates	-	-	-	-	1,127,659	1,127,659
Investment properties	-	-	-	-	3,305,864	3,305,864
Fixed assets	254	2,234	18,295	103,965	390,777	515,525
Intangible assets	-	-	-	-	217,814	217,814
Other assets	353,466	44,699	55,765	261,493	1,581,493	2,296,916
Total assets	19,808,637	22,709,118	11,177,568	35,489,333	99,972,443	189,157,099
Liabilities and Quasi-Equity						
Liabilities						
Due to banks	6,306,005	1,484,018	2,195,406	7,402,193	3,046,477	20,434,099
Customers' current accounts	14,648,105	-	-	-	-	14,648,105
Sukuk financing	3,205,829	-	546,000	7,267,187	3,649,234	14,668,250
Other liabilities	2,178,426	53,603	126,987	94,420	749,656	3,203,092
Total liabilities	26,338,365	1,537,621	2,868,393	14,763,800	7,445,367	52,953,546
Quasi-Equity	50,640,315	12,810,272	23,004,908	19,400,683	330,237	106,186,415
Total Liabilities and Quasi-Equity	76,978,680	14,347,893	25,873,301	34,164,483	7,775,604	159,139,961
Maturity gap	(57,170,043)	8,361,225	(14,695,733)	1,324,850	92,196,839	30,017,138

As at and for the year ended 31 December 2024 QAR'000

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

c) Liquidity risk (continued)

(iii) Maturity analysis (continued)

Maturity analysis of undiscounted cashflows

2024	**Carrying amount**	**Gross undiscounted cashflows**	**Up to 3 months**	**3 to 6 months**	**6 months to 1 year**	**1 to 3 years**	**Over 3 years**
Non-derivative financial liabilities							
Due to banks	**24,017,183**	**25,328,787**	**11,178,157**	**1,626,856**	**728,804**	**9,313,678**	**2,481,292**
Customers' current accounts	**16,429,048**	**16,429,048**	**16,429,048**	**-**	**-**	**-**	**-**
Sukuk financing	**13,741,520**	**18,232,884**	**3,945,137**	**1,580,377**	**728,804**	**9,313,678**	**2,664,888**
Other liabilities	**2,825,744**	**2,825,744**	**1,695,253**	**1,477**	**85,447**	**84,435**	**959,132**
Liabilities directly associated with assets held for sale	**3,429,799**	**3,429,799**	**844,823**	**37,209**	**40,650**	**1,586,053**	**921,064**
Total liabilities	**60,443,294**	**66,246,262**	**34,092,418**	**3,245,919**	**1,583,705**	**20,297,844**	**7,026,376**
Quasi-Equity	**108,565,638**	**114,908,744**	**51,116,714**	**20,235,728**	**31,167,630**	**7,481,263**	**4,907,409**
	169,008,932	**181,155,006**	**85,209,132**	**23,481,647**	**32,751,335**	**27,779,107**	**11,933,785**

2023	Carrying amount	Gross undiscounted cashflows	Up to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	Over 3 years
Non-derivative financial liabilities							
Due to banks	20,434,099	22,519,788	6,557,592	1,698,514	2,716,783	9,585,407	1,961,492
Customers' current accounts	14,648,105	14,648,105	14,648,105	-	-	-	-
Sukuk financing	14,668,250	16,012,830	3,233,640	170,810	772,150	7,791,570	4,044,660
Other liabilities	3,203,092	3,203,092	2,178,426	53,603	126,987	94,420	749,656
Total liabilities	52,953,546	56,383,815	26,617,763	1,922,927	3,615,920	17,471,397	6,755,808
Quasi-Equity	106,186,415	111,371,108	51,922,100	13,447,557	24,397,079	21,270,038	334,334
	159,139,961	167,754,923	78,539,863	15,370,484	28,012,999	38,741,435	7,090,142

d) Market risks

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in profit rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as profit rates, credit spreads, foreign exchange rates and equity prices. The market risks arising from trading and non-trading activities are concentrated in Group Treasury and monitored by the Group's Market Risk Department on a daily basis. Regular reports are submitted to the ALCO and heads of each business unit.

(i) Management of market risks

Overall authority for market risk is vested in ALCO. Group Market Risk Department is responsible for the development of detailed market risk management policies (subject to review and approval by ALCO/ BoD) and for the day-to-day management of all market risks. The main objective of the Market Risk Management is identification, classification measurement, assessment and controlling the market risk in a prudent way to ensure safeguarding interests of all shareholders. The Group views market risk management as a core competency and its purpose is not to neutralise market risks, but rather maximize risk/return trade-offs within clearly defined limits. The existence of market risk requires the measurement of the magnitude of the exposure. This measure is an essential precursor to the management of the risk that takes the form of either reducing the exposure through hedging or maintaining sufficient capital to protect the Group from the risk of operational capacity impairment.

As at and for the year ended 31 December 2024 QAR'000

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

d) Market risks (continued)

(ii) Exposure to market risks – trading portfolios

The principal tool used to measure and control market risk exposure within the Group's trading portfolios is Value at Risk (VaR). The VaR of a trading portfolio is the estimated loss that will arise on the portfolio over a specified period of time (holding period) from an adverse market movement with a specified probability (confidence level). The VaR model used by the Group is based upon a 99 percent confidence level and assumes a 10-day holding period. The VaR model used is based on historical simulation. Taking account of market data from the previous three years, and observed relationships between different markets and prices, the model generates a wide range of plausible future scenarios for market price movements.

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based do give rise to some limitations, including the following:

- A 10-day holding period assumes that it is possible to hedge or dispose of positions within that period. This may not be the case for certain highly illiquid assets or in situations in which there is severe general market illiquidity.
- A 99 percent confidence level does not reflect losses that may occur beyond this level. Even within the model used there is a one percent probability that losses could exceed the VaR.
- VaR is calculated on an end-of-day basis and does not reflect exposures that may arise on positions during the trading day.
- The use of historical data as a basis for determining the possible range of future outcomes may not always cover all possible scenarios, especially those of an exceptional nature.

The overall structure of VaR limits is subject to review and approval by ALCO. VaR limits are allocated to trading portfolios. VaR is monitored and reported daily to the Senior Management.

A summary of the VaR position of the Group's trading portfolios at 31 December and during the year is as follows:

	At 31 December	**Average**	**Maximum**	**Minimum**
2024				
Equity price risk 10-day VaR @99%	**19,324**	**17,892**	**24,604**	**13,637**
2023				
Equity price risk 10-day VaR @99%	24,032	18,085	24,217	13,712

The limitations of the VaR methodology are recognised by supplementing VaR limits with other position and sensitivity limit structures, including limits to address potential concentration risks within each trading portfolio. In addition, the Group uses a wide range of stress tests to model the financial impact of a variety of exceptional market scenarios, such as periods of prolonged market illiquidity, on individual trading portfolios and the Group's overall position.

As at and for the year ended 31 December 2024 QAR'000

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

d) Market risks (continued)

(iii) Exposure to profit rate risk – non-trading portfolios

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market profit rates. Profit rate risk is managed principally through monitoring profit rate gaps and by having pre-approved limits for repricing bands. ALCO is the monitoring body for compliance with these limits and is assisted by Group Market Risk Treasury in its day-to-day monitoring activities.

A summary of the Group's profit rate gap position on non-trading portfolios is as follows:

		Repricing in:					
	Carrying amount	Less than 3 months	3-12 months	1-5 years	More than 5 years	Non-profit sensitive	Effective profit rate
2024							
Cash and balances with central banks	**8,683,066**	**2,267,894**	**23,906**	**25,481**	**-**	**6,365,785**	**0.00%**
Due from banks	**2,488,250**	**2,170,938**	**12,237**	**-**	**-**	**305,075**	**4.34%**
Financing assets	**125,274,016**	**70,932,765**	**43,117,420**	**9,722,901**	**1,469,781**	**31,149**	**6.88%**
Investment securities	**53,008,246**	**11,033,080**	**19,640,852**	**21,204,107**	**650,992**	**479,215**	**4.99%**
	189,453,578	**86,404,677**	**62,794,415**	**30,952,489**	**2,120,773**	**7,181,224**	**-**
Due to banks	**24,017,183**	**23,477,278**	**494,856**	**45,049**	**-**	**-**	**5.03%**
Sukuk financing	**13,741,520**	**3,930,942**	**3,276,000**	**6,534,578**	**-**	**-**	**3.70%**
	37,758,703	**27,408,220**	**3,770,856**	**6,579,627**	**-**	**-**	**0.00%**
Quasi-Equity	**108,565,638**	**49,644,447**	**48,884,084**	**10,025,865**	**11,242**	**-**	**0.00%**
	146,324,341	**77,052,667**	**52,654,940**	**16,605,492**	**11,242**	**-**	**-**
Profit rate sensitivity gap	**43,129,237**	**9,352,010**	**10,139,475**	**14,346,997**	**2,109,531**	**7,181,224**	**-**
Cumulative profit rate sensitivity gap	**-**	**43,129,237**	**33,777,227**	**23,637,752**	**9,290,755**	**7,181,224**	**-**

As at and for the year ended 31 December 2024 QAR'000

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

d) Market risks (continued)

(iii) Exposure to profit rate risk – non-trading portfolios (continued)

		Repricing in:					
	Carrying amount	Less than 3 months	3-12 months	1-5 years	More than 5 years	Non-profit sensitive	Effective profit rate
2023							
Cash and balances with central banks	8,037,333	1,513,663	-	243,219	-	6,280,451	-
Due from banks	3,261,873	2,747,463	81,302	-	-	433,108	5.10%
Financing assets	122,380,843	76,135,122	35,151,064	9,885,217	1,159,903	49,537	7.25%
Investment securities	48,013,272	12,948,336	18,219,773	13,212,521	420,912	3,211,730	5.36%
	181,693,321	93,344,584	53,452,139	23,340,957	1,580,815	9,974,826	-
Due to banks	20,434,099	18,783,267	1,537,378	113,454	-		4.66%
Sukuk financing	14,668,250	6,663,830	-	8,004,420	-	-	3.58%
	35,102,349	25,447,097	1,537,378	8,117,874	-	-	-
Quasi-Equity	106,186,415	50,637,793	35,817,701	19,697,923	32,998	-	4.57%
	141,288,764	76,084,890	37,355,079	27,815,797	32,998	-	-
Profit rate sensitivity gap	40,404,557	17,259,694	16,097,060	(4,474,840)	1,547,817	9,974,826	-
Cumulative profit rate sensitivity gap	-	40,404,557	23,144,863	7,047,803	11,522,643	9,974,826	-

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

d) Market risks (continued)

(iii) Exposure to profit rate risk – non-trading portfolios (continued)

Sensitivity analysis

The management of profit rate risk against profit rate gap limits is supplemented by monitoring the sensitivity of the Group's financial assets and liabilities to various standard and non - standard profit rate scenarios. Standard scenarios that are considered on a monthly basis include a 100 basis point (bp) parallel fall or rise in all yield curves worldwide and a 50 bp rise or fall in the greater than 12-month portion of all yield curves. An analysis of the Group's sensitivity to an increase or decrease in market profit rates, assuming no asymmetrical movement in yield curves and a constant financial position, is as follows:

Sensitivity of net profit	**100 bp parallel increase**	**100 bp parallel decrease**
2024		
At 31 December	**205.7 million**	**(205.7 million)**
2023		
At 31 December	311.3 million	(311.3 million)

Overall non-trading profit rate risk positions are managed by Group Treasury, which uses financial investments, advances to banks, deposits from banks and risk management instruments to manage the overall position arising from the Group's non-trading activities. The use of risk management instruments to manage profit rate risk.

(iv) Exposure to other market risks – non-trading portfolios

Foreign currency transactions

The result of structural foreign exchange positions on the Group's net investments in foreign subsidiaries and branches is recognised in equity. The Group's policy is only to hedge such exposures when not doing so would have a significant impact on the regulatory capital ratios of the Group and its subsidiaries. The result of this policy is that hedging generally only becomes necessary when the ratio of structural exposures in a particular currency to risk-weighted assets denominated in that currency diverges significantly from the capital ratio of the entity being considered. In addition to monitoring VaR in respect of foreign currency, the Group monitors any concentration risk in relation to any individual currency in regard to the translation of foreign currency transactions and monetary assets and liabilities into the respective functional currency of Group entities, and with regard to the translation of foreign operations into the presentation currency of the Group.

Net Open currency exposure as at 31 December in QAR '000

	2024	2023
Net foreign currency exposure:		
Sterling Pounds	**474**	(1,492)
USD	**(16,092,920)**	(16,567,260)
Euro	**5,750**	19,017
Other currencies	**51,713**	22,158

The exchange rate of QAR against US Dollar has been pegged and the Group's exposure to currency risk is limited to that extent. The Group uses Shari'a compliant forward contracts to mitigate the other currency risks.

As at and for the year ended 31 December 2024 QAR'000

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

d) Market risks (continued)

(iv) Exposure to other market risks – non-trading portfolios (continued)

Foreign currency transactions (continued)
The table below indicates the effect of a reasonably possible movement of the currency rate against the QAR on the net profit for the year, with all other variables held constant:

	Increase / (decrease)	
5% change in currency exchange rate	**2024**	2023
Sterling Pound	**24**	(75)
USD	**(804,646)**	(828,363)
Euro	**288**	951
Other currencies	**2,586**	1,108

Equity price risk
Equity price risk is the risk that the fair value of equities decreases as a result of changes in the level of equity indices and individual stocks. The non-trading equity price risk exposure arises from equity securities classified as fair value through income statement and fair value through other comprehensive income.

The Group is also exposed to equity price risk and the sensitivity analysis thereof is as follows:

Market Indices	Change in equity price %	Effect on equity		Effect on profit and loss	
		2024	2023	**2024**	2023
Qatar Exchange	**+/ - 10%**	**13,480**	5,883	**26,333**	33,132
Bahrain Stock Exchange	**+/ - 10%**	**809**	613	**-**	-
London Stock Exchange	**+/ - 10%**	**85,165**	83,097	**-**	-
Vienna Stock Exchange	**+/ - 10%**	**110,094**	110,129	**-**	-

The above analysis has been prepared on the assumption that all other variables such as profit rate, foreign exchange rate, etc are held constant and is based on historical correlation of the equity securities to the relevant index. Actual movement may be different from the one stated above.

e) Operational risks

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, which includes but is not limited to, reputational risk, legal risk and Shari'ah compliance risk; however it does not cover strategic risk. The Group's objective is to structure a robust, dynamic and sustainable operational risk management framework (ORMF) for identification, assessment, measurement, monitoring/control and reporting.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business and functional unit. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- Regular operational risk identification, assessment and control evaluation
- Incident and risk event management, issue remediation and consistent risk reporting across the bank.
- Early warning of increasing risk exposures through KRI monitoring
- Segregation of duties and dual of control
- Reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Proper Policies and procedures;
- Development of Disaster Recovery and Business continuity plans;
- Protection of information security Assets.
- Training and professional development;
- Ethical and business standards; and
- Risk Transfer, including insurance and outsourcing where this is effective.

As at and for the year ended 31 December 2024 QAR'000

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

f) Compliance Risk

Compliance risk encompasses regulatory and legal compliance risk. Compliance risk is the risk that the Group incurs financial or reputational risk through imposition of penalties or fines as a result of not adhering to applicable laws, rules and regulations and good market practice (including ethical standards). The Group's compliance function proactively seeks to enhance compliance risk management and the supporting control framework. The Group operates in a market where there is a significant level of regulatory change activity, therefore, compliance risk is a key area of focus for Senior Management. The compliance function monitors this risk through reference to metrics relevant to the Group, review of incident reports and assessments, risk and control assessments pertaining to the first and second lines of defence functions, results of regulatory assessments, and review of results internal audit and external audit reports. Remediation of controls is conducted in a timely manner.

g) Capital management

Regulatory capital

The Group's policy is to maintain a strong capital base so as to ensure investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year.

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 Group's regulatory capital position under Basel III and QCB regulations at 31 December was as follows:

	2024	2023
	Basel III	Basel III
Common Equity Tier 1 (CET 1) Capital	**25,921,175**	23,717,506
Tier 1 capital	**29,975,566**	27,773,890
Tier 2 capital	**1,759,534**	1,698,496
Total regulatory capital	**31,735,100**	29,472,386

Risk weighted assets

	2024	2023
	Basel III	Basel III
Risk weighted assets for credit risk	**132,718,248**	131,368,937
Risk weighted assets for market risk	**9,776,967**	668,181
Risk weighted assets for operational risk	**9,272,885**	12,425,576
Total risk weighted assets	**151,768,100**	144,462,694
Regulatory capital	**31,735,100**	29,472,386
Common equity tier 1 (CET 1) ratio	**17.1%**	16.4%
Total capital adequacy ratio	**20.9%**	20.4%

As at and for the year ended 31 December 2024 QAR'000

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

g) Capital management (continued)

The minimum requirements for Capital Adequacy Ratio under Basel III as per QCB regulations for the year ended 31 December 2024 are as follows:

	Actual	Minimum limit as per QCB
CET 1 ratio without capital conservation buffer	**17.1%**	6.00%
CET 1 ratio including capital conservation buffer	**17.1%**	8.50%
Tier 1 capital ratio including capital conservation buffer	**19.8%**	10.50%
Total capital ratio including capital conservation buffer	**20.9%**	12.50%
Total capital including capital conservation buffer and domestic systematic important bank buffer	**20.9%**	13.00%
Total capital including conservation buffer, domestic systematic important bank buffer and ICAAP Pillar II capital charge	**20.9%**	15.03%

5. USE OF ESTIMATES AND JUDGMENTS

(a) Key sources of estimation uncertainty

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

i. Allowance for credit losses

Assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL, refer to note 4 (b) (vi) Inputs, assumptions and techniques used for estimating impairment for more information.

ii. Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Fair value is determined for each investment individually in accordance with the general valuation policies as set out below;

i) For quoted investments, the fair value is determined by reference to quoted market bid prices at close of business on the reporting date.

ii) For unquoted investments, the fair value is determined by reference to recent significant buy or sell transactions with third parties that are either completed or are in progress. Where no recent significant transactions have been completed or are in progress, fair value is determined by reference to the current market value of similar investments. For others, the fair value is based on the net present value of estimated future cash flows, or other relevant valuation method.

iii) For investments that have fixed or determinable cash flows, fair value is based on the net present value of estimated future cash flows determined by the Group using current profit rates for investments with similar terms and risk characteristics.

iv) Investments, which cannot be measured to fair value using any of the above techniques, are carried at cost less impairment.

5. USE OF ESTIMATES AND JUDGMENTS (CONTINUED)

(b) Critical accounting judgements in applying the Group's accounting policies

i. Valuation of financial instruments

The Group's accounting policy on fair value measurements is discussed in the material accounting policy information section. The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

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

- 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.

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

As at and for the year ended 31 December 2024 QAR'000

5. USE OF ESTIMATES AND JUDGMENTS (CONTINUED)

(b) Critical accounting judgements in applying the Group's accounting policies (continued)

ii. Financial asset and liability classification

The table below analyses financial instrument measured at fair value at the end of the year, by the level in the fair value hierarchy into which the fair value measurements categorised:

2024	Total	Fair value measurement using: 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**	**-**

2023	Total	Fair value measurement using: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Shari'a compliant risk management instruments (assets)	306,359	-	306,359	-
Investments 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 investments classified as FVTOCI	1,101,294	-	1,101,294	-
Unquoted debt-type investments classified as FVOCI	699,045	-	699,045	-
Financing assets classified as FVTIS	452,317	-	-	452,317
Shari'a compliant risk management instruments (liabilities)	244,824	-	244,824	-

FVTIS – Fair value through income statement
FVTOCI – Fair value through other comprehensive income

The fair value of financial assets and liabilities carried at amortised cost are equal to the carrying value, hence, not included in the fair value hierarchy table, except for investment securities carried at amortised cost for which the fair value amounts to QAR 1,589 million (2023: QAR 1,652 million), which is derived using level 1 fair value hierarchy. The details of the Group's classification of financial assets and liabilities are disclosed in note 7.

During the years ended 2024 and 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 measurement.

As at and for the year ended 31 December 2024 QAR'000

5. USE OF ESTIMATES AND JUDGMENTS (CONTINUED)

(b) Critical accounting judgements in applying the Group's accounting policies (continued)

ii. Financial asset and liability classification (continued)

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 (loss) / gain recorded in consolidated income statement / equity**	**Purchases**	**Sales/ transfers**	**At 31 December 2024**
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)**	**-**
	2,133,253	**-**	**-**	**(2,058,690)**	**74,563**

	At 1 January 2023	Total (loss) /gain recorded in consolidated income statement / equity	Purchases	Sales/ transfers	At 31 December 2023
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

iii. Useful lives of intangible assets

The Group's management determines the estimated useful life of its intangible assets for calculating amortisation. This estimate is determined after considering the expected economic benefits to be received from the use of intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

iv. Useful lives of property and equipment

The Group's management determines the estimated useful life of property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset, physical wear and tear and technical or commercial obsolescence.

v. Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. All non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset and choose a suitable discount rate in order to calculate the present value of those cash flows.

6. 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 monthly basis. The following summary describes the operations in each of the Group's reportable segments.

Corporate banking	Includes services offered to institutional investors, corporates, small and medium enterprises, financial institutions and investment vehicles.
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.

As at and for the year ended 31 December 2024 QAR'000

6. OPERATING SEGMENTS (CONTINUED)

Information about operating segments

2024	**Corporate banking**	**Personal banking**	**Group function**	**Local & international subsidiaries**	**Total**
External revenue:					
Total income from financing and investing activities	**7,962,318**	**2,223,200**	**12,580**	**520,705**	**10,718,803**
Net fee and commission income	**313,551**	**396,784**	**145,253**	**11,762**	**867,350**
Net foreign exchange gain	**-**	**-**	**49,490**	**44,575**	**94,065**
Share of results of associates	**-**	**-**	**59,552**	**6,935**	**66,487**
Other income	**-**	**-**	**-**	**2,577**	**2,577**
Total income	**8,275,869**	**2,619,984**	**266,875**	**586,554**	**11,749,282**
Net profit attributable to quasi-equity holders	**(2,796,236)**	**(1,427,455)**	**(543,224)**	**(221,423)**	**(4,988,338)**
Inter segment (cost) / revenue	**(2,904,258)**	**929,352**	**1,974,906**	**-**	**-**
Reportable segment net profit after tax	**1,517,555**	**1,470,037**	**1,577,352**	**34,968**	**4,599,912**
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**

As at and for the year ended 31 December 2024 QAR'000

6. OPERATING SEGMENTS (CONTINUED)

Information about operating segments (continued)

2023	Corporate banking	Personal banking	Group function	Local & international subsidiaries	Total
External revenue:					
Total income from financing and investing activities	7,425,632	1,789,627	125,748	401,177	9,742,184
Net fee and commission income	344,297	343,679	165,679	35,590	889,245
Net foreign exchange gain	-	-	35,522	14,941	50,463
Share of results of associates	-	-	43,507	16,538	60,045
Other income	-	-	-	1,093	1,093
Total income	7,769,929	2,133,306	370,456	469,339	10,743,030
Net profit attributable to quasi-equity holders	(2,513,196)	(1,005,026)	(541,161)	(162,239)	(4,221,622)
Inter segment (cost) / revenue	(2,581,304)	826,501	1,754,803	-	-
Reportable segment net profit after tax	1,455,124	1,299,195	1,485,867	47,741	4,287,927
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

As at and for the year ended 31 December 2024 QAR'000

7. FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS

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

2024	Fair value through other comprehensive income	Fair value through income statement	Amortised cost	Total carrying amount	Fair value
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
Financing assets	-	-	125,274,016	125,274,016	125,274,016
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	190,995,639	194,863,690	194,880,086
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

As at and for the year ended 31 December 2024 QAR'000

7. FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTINUED)

2023	Fair value through other comprehensive income	Fair value through income statement	Amortised cost	Total carrying amount	Fair value
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
Financing assets	-	452,317	121,928,526	122,380,843	122,380,843
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
Other assets	-	-	435,330	435,330	435,330
	4,267,620	2,274,943	175,586,088	182,128,651	182,114,139
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
Quasi-equity	-	-	106,186,415	106,186,415	106,186,415
	-	-	159,139,961	159,139,961	159,139,961

For financial liabilities carried at amortized cost, carrying values are a reasonable approximation of their fair values.

As at and for the year ended 31 December 2024 QAR'000

8. CASH AND BALANCES WITH CENTRAL BANKS

	2024	2023
Cash in hand	**936,159**	934,070
Cash reserve with QCB (i)	**6,363,521**	6,278,599
Other balances with QCB	**638,766**	217,695
Balances with other central banks	**992,627**	844,541
Less: Allowance for impairment (ii)	**(248,007)**	(237,572)
	8,683,066	8,037,333

(i) Cash reserve with QCB represents a mandatory reserve not available for use in the Group's day to day operations.

(ii) The economic situation in Lebanon has exposed its domestic banking system to a significant degree of uncertainty, with the magnitude of the possible adverse effects on the Lebanese economy, the banking sector and the Bank's subsidiary AFH, currently unknown. Given these circumstances, the Group has taken a conservative approach and created impairments at QIB Parent level to fully cover its exposure to its stand-alone subsidiary AFH resulting from the inter-group investment and placements. These impairments have been allocated in the consolidated financial statements to ECL on Balances due from Central Bank of Lebanon, primarily impacted by the lack of clarity.

9. DUE FROM BANKS

	2024	2023
Commodity murabaha receivable	**1,246,886**	52,981
Wakala placements	**956,084**	2,740,754
Mudaraba placements	**-**	54,812
Current accounts	**305,075**	433,108
Less: Allowance for impairment	**(19,795)**	(19,782)
	2,488,250	3,261,873

10. FINANCING ASSETS

(a) By type

	2024	2023
Receivables and balances from financing activities:		
Murabaha	**86,924,191**	85,400,945
Musawama	**28,852,070**	27,050,824
Ijarah Muntahia Bittamleek	**41,747,050**	37,888,391
Others	**452,818**	404,425
Total financing assets	**157,976,129**	150,744,585
Less: Deferred profit	**(24,953,359)**	(21,273,037)
Total financing assets net of deferred profit	**133,022,770**	129,471,548
Less: Expected credit losses on financing assets - performing (Stage 1 and 2)	**(5,398,350)**	(5,193,272)
Allowance for impairment on financing assets – credit impaired (Stage 3)	**(2,289,858)**	(1,826,015)
Suspended profit	**(60,546)**	(71,418)
Net financing assets	**125,274,016**	122,380,843

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

The impaired financing assets net of deferred profit amounted to QAR 2,475 million as at 31 December 2024 representing 1.86% of the total financing assets net of deferred profit (31 December 2023: QAR 2,168 million, representing 1.67% of the total financing assets net of deferred profit).

As at and for the year ended 31 December 2024 QAR'000

10. FINANCING ASSETS (CONTINUED)

Modified financing assets
Considering the economic circumstances post the COVID-19 outbreak, the QCB has encouraged banks in Qatar to delay repayments for affected sectors, via a circular number 15/2022. In line with the requirements of the FAS, the Bank will amortize the remaining amount of the deferred profit over the remaining period of the financing facilities.

(b) Movement in impairment of financing assets is as follows:

	2024	2023
Balance at 1 January	**7,019,287**	5,962,188
Charge for the year	**1,353,965**	1,148,744
Recoveries during the year	**(488,643)**	(90,785)
Net impairment losses during the year	**865,322**	1,057,959
Written off during the year	**(195,064)**	(344)
Foreign currency and other adjustments	**(1,337)**	(516)
Balance at 31 December*	**7,688,208**	7,019,287

**For stage wise allowance for impairment refer note 4(b).*

As at and for the year ended 31 December 2024 QAR'000

10. FINANCING ASSETS (CONTINUED)

(c) Movement in the impairment of financing assets – sector wise:

	Corporate			SMEs			Retail			Real estate mortgages			Total		
	Stage 1 Performing	Stage 2 Performing	Stage 3 Credit impaired	Stage 1 Performing	Stage 2 Performing	Stage 3 Credit impaired	Stage 1 Performing	Stage 2 Performing	Stage 3 Credit impaired	Stage 1 Performing	Stage 2 Performing	Stage 3 Credit impaired	Stage 1 Performing	Stage 2 Performing	Stage 3 Credit impaired
Balance at 1 January 2024	**2,356,613**	**1,024,017**	**1,223,799**	**17,678**	**504**	**26,640**	**824,494**	**38,255**	**387,032**	**767,623**	**164,088**	**188,544**	**3,966,408**	**1,226,864**	**1,826,015**
Transfers between stages	**51,155**	**(130,696)**	**79,541**	**-**	**(5)**	**5**	**(7,612)**	**15,053**	**(7,441)**	**658**	**(658)**	**-**	**44,201**	**(116,306)**	**72,105**
Charge for the year	**(209,696)**	**362,154**	**908,713**	**3,638**	**871**	**3,348**	**63,399**	**(19,982)**	**125,166**	**57,703**	**20,433**	**38,218**	**(84,956)**	**363,476**	**1,075,445**
Recoveries during the year	**-**	**-**	**(413,764)**	**-**	**-**	**(3,473)**	**-**	**-**	**(66,410)**	**-**	**-**	**(4,996)**	**-**	**-**	**(488,643)**
Net impairment losses during the year	**(209,696)**	**362,154**	**494,949**	**3,638**	**871**	**(125)**	**63,399**	**(19,982)**	**58,756**	**57,703**	**20,433**	**33,222**	**(84,956)**	**363,476**	**586,802**
Written off during the year	**-**	**-**	**(51,289)**	**-**	**-**	**(4,215)**	**-**	**-**	**(139,560)**	**-**	**-**	**-**	**-**	**-**	**(195,064)**
Foreign currency translation and adjustments	**(1,112)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(61)**	**(164)**	**-**	**(1,173)**	**(164)**	**-**
Balance at 31 December 2024	**2,196,960**	**1,255,475**	**1,747,000**	**21,316**	**1,370**	**22,305**	**880,281**	**33,326**	**298,787**	**825,923**	**183,699**	**221,766**	**3,924,480**	**1,473,870**	**2,289,858**

As at and for the year ended 31 December 2024 QAR'000

10. FINANCING ASSETS (CONTINUED)

(c) Movement in the impairment of financing assets - sector wise (continued)

	Corporate			SMEs			Retail			Real estate mortgages			Total		
	Stage 1 Performing	Stage 2 Performing	Stage 3 Credit impaired	Stage 1 Performing	Stage 2 Performing	Stage 3 Credit impaired	Stage 1 Performing	Stage 2 Performing	Stage 3 Credit impaired	Stage 1 Performing	Stage 2 Performing	Stage 3 Credit impaired	Stage 1 Performing	Stage 2 Performing	Stage 3 Credit impaired
Balance at 1 January 2023	1,985,698	649,201	1,190,228	37,636	374	22,300	770,994	29,954	400,627	495,444	219,034	160,698	3,289,772	898,563	1,773,853
Transfers between stages	(97,084)	102,538	(5,454)	(1,190)	1,085	105	909	8,109	(9,018)	(2,614)	3,334	(720)	(99,979)	115,066	(15,087)
Charge for the year	467,999	272,278	48,483	(18,763)	(944)	4,985	52,601	191	74,790	275,013	(58,249)	30,360	776,850	213,276	158,618
Recoveries during the year	-	-	(9,439)	-	-	(377)	-	-	(79,023)	-	-	(1,946)	-	-	(90,785)
Net impairment losses during the year	467,999	272,278	39,044	(18,763)	(944)	4,608	52,601	191	(4,233)	275,013	(58,249)	28,414	776,850	213,276	67,833
Written off during the year	-	-	-	-	-	-	-	-	(344)	-	-	-	-	-	(344)
Foreign currency translation and adjustments	-	-	(19)	(5)	(11)	(373)	(10)	1	-	(220)	(31)	152	(235)	(41)	(240)
Balance at 31 December 2023	2,356,613	1,024,017	1,223,799	17,678	504	26,640	824,494	38,255	387,032	767,623	164,088	188,544	3,966,408	1,226,864	1,826,015

As at and for the year ended 31 December 2024 QAR'000

10. FINANCING ASSETS (CONTINUED)

(d) By sector

2024

	Murabaha	**Musawama**	**Ijarah Muntahia Bittamleek**	**Others**	**Total**
Government and related entities	**8,280,579**	**-**	**883,437**	**-**	**9,164,016**
Non-banking financial institutions	**9,989,454**	**254**	**1,351,915**	**-**	**11,341,623**
Industry	**3,695,062**	**20,718**	**10,251**	**1,633**	**3,727,664**
Commercial	**14,655,518**	**110,340**	**1,550,260**	**10,894**	**16,327,012**
Services	**16,566,510**	**20,580**	**7,895,110**	**674**	**24,482,874**
Contracting	**6,438,109**	**363,381**	**875,461**	**19,714**	**7,696,665**
Real estate	**13,074,199**	**148,635**	**29,174,332**	**-**	**42,397,166**
Personal	**12,315,486**	**28,188,162**	**-**	**419,903**	**40,923,551**
Others	**1,909,274**	**-**	**6,284**	**-**	**1,915,558**
Total financing assets	**86,924,191**	**28,852,070**	**41,747,050**	**452,818**	**157,976,129**
Less: Deferred profit					**(24,953,359)**
Total financing assets net of deferred profit					**133,022,770**
Less: Expected credit losses on financing assets - performing (Stage 1 and 2)					**(5,398,350)**
Allowance for impairment on financing assets – credit impaired (Stage 3)					**(2,289,858)**
Suspended profit					**(60,546)**
Net financing assets					**125,274,016**

Note:
Details of financing assets related to Sukuk backed assets as at 31 December 2024 are disclosed in Note 19 to the consolidated financial statements.

As at and for the year ended 31 December 2024 QAR'000

10. FINANCING ASSETS (CONTINUED)

(d) By sector (continued)

2023

	Murabaha	Musawama	Ijarah Muntahia Bittamleek	Others	Total
Government and related entities	8,781,456	-	1,063,076	-	9,844,532
Non-banking financial institutions	10,407,416	336	1,513,546	-	11,921,298
Industry	3,797,220	36,408	6,045,239	2,421	9,881,288
Commercial	13,168,724	124,299	1,589,123	45,828	14,927,974
Services	15,947,014	74,101	1,654,814	3,018	17,678,947
Contracting	6,629,508	357,907	972,532	20,058	7,980,005
Real estate	13,304,708	321,100	24,703,597	-	38,329,405
Personal	11,415,942	26,136,673	335,960	333,100	38,221,675
Others	1,948,957	-	10,504	-	1,959,461
Total financing assets	85,400,945	27,050,824	37,888,391	404,425	150,744,585
Less: Deferred profit					(21,273,037)
Total financing assets net of deferred profit					129,471,548
Less: Expected credit losses on financing assets - performing (Stage 1 and 2)					(5,193,272)
Allowance for impairment on financing assets – credit impaired (Stage 3)					(1,826,015)
Suspended profit					(71,418)
Net financing assets					122,380,843

As at and for the year ended 31 December 2024 QAR'000

11. INVESTMENT SECURITIES

	2024			2023		
	Quoted	**Unquoted**	**Total**	Quoted	Unquoted	Total
Classified as fair value through income statement						
• equity type	**263,334**	**-**	**263,334**	331,321	1,282,449	1,613,770
• debt type - Fixed rate	**-**	**638,145**	**638,145**	8,699	200,157	208,856
	263,334	**638,145**	**901,479**	340,020	1,482,606	1,822,626
Debt-type classified at amortised cost (i)						
- State of Qatar Sukuk and QCB Murabaha	**-**	**46,884,016**	**46,884,016**	-	40,232,529	40,232,529
- Fixed rate	**2,263,221**	**34,394**	**2,297,615**	1,693,807	102,207	1,796,014
Less: Allowance for impairment*	**(7,084)**	**(34,352)**	**(41,436)**	(7,380)	(98,137)	(105,517)
	2,256,137	**46,884,058**	**49,140,195**	1,686,427	40,236,599	41,923,026
Classified as fair value through other comprehensive income						
• equity type	**1,034,075**	**111,477**	**1,145,552**	1,486,753	980,528	2,467,281
• debt type - Fixed rate	**1,100,944**	**720,076**	**1,821,020**	1,101,294	699,045	1,800,339
	2,135,019	**831,553**	**2,966,572**	2,588,047	1,679,573	4,267,620
	4,654,490	**48,353,756**	**53,008,246**	4,614,494	43,398,778	48,013,272

**For stage wise allowance for impairment refer note 4(b).*

Notes:

(i) The fair value of the investments carried at amortised cost as at 31 December 2024 amounted to QAR 49,135 million (2023: QAR 41,914 million).

(ii) The fair value hierarchy and the transfers between categories of fair value hierarchy are disclosed in Note 5 (b).

The movement in impairment of debt-type securities carried at amortised cost and equity-type securities carried at fair value through other comprehensive income is as follows:

	2024	2023
Balance at 1 January	**279,268**	274,938
Charge during the year	**1,710**	1,840
Transfer to assets held for sale	**(95,032)**	-
Write off / reversals / transfers during the year	**(21,562)**	2,490
Balance at 31 December	**164,384**	279,268

As at and for the year ended 31 December 2024 QAR'000

12. INVESTMENT IN ASSOCIATES

Associates' movement during the year is as follows:

	2024	2023
Balance at 1 January	**1,127,659**	1,130,376
Foreign currency translation and other movements	**3,123**	5,020
Transfer to assets held for sale	**(57,060)**	-
Investments transferred / disposed during the year	**-**	(52,666)
Share of results	**66,487**	60,045
Cash dividend	**(39,844)**	(15,116)
Balance at 31 December	**1,100,365**	1,127,659

Name of the principal associates	**Country of Incorporation**	**Company's Activities**	**Ownership %**	
			2024	2023
Al Jazeera Finance Company	Qatar	Financing	**30.00%**	30.00%
Damaan Islamic Insurance Company (Q.P.S.C.)	Qatar	Insurance	**26.25%**	26.25%
Bawabat Al Shamal Real Estate Company W.L.L.	Qatar	Real Estate	**25.00%**	25.00%

The financial position, revenue and results of principal associates based on their financial statements, as at and for the year ended 31 December 2024 and 2023 are as follows:

31 December 2024	**Al Jazeera Finance Company**	**Damaan Islamic Insurance Company (Q.P.S.C.)**	**Bawabat Al Shamal Real Estate Company W.L.L.**
Total assets	**1,053,585**	**1,530,190**	**4,857,639**
Total liabilities	**51,434**	**743,377**	**3,314,668**
Total revenue	**108,275**	**105,668**	**633,204**
Net profit	**66,766**	**61,915**	**96,680**
Share of profit	**20,894**	**20,703**	**24,125**

31 December 2023	Al Jazeera Finance Company	Damaan Islamic Insurance Co (Q.P.S.C.)	Bawabat Al Shamal Real Estate Company W.L.L.
Total assets	1,030,312	547,168	5,042,731
Total liabilities	65,802	90,047	3,506,212
Total revenue	97,190	92,214	602,141
Net profit	55,235	52,926	77,875
Share of profit	17,428	22,335	13,461

13. INVESTMENT PROPERTIES

	2024	2023
Balance at 1 January	**3,305,864**	3,320,550
Additions	**4,420**	17,098
Disposals	**(15,516)**	-
Transfer from fixed assets	**140,129**	-
Transfer to assets held for sale	**(943,768)**	-
Changes in fair value	**(83,188)**	(48,637)
Foreign currency translation and adjustments	**59,852**	16,853
Balance at 31 December	**2,467,793**	3,305,864

Note:
The investment properties are held either to earn rental income or for capital appreciation.

As at and for the year ended 31 December 2024 QAR'000

14. FIXED ASSETS

	Land and buildings	IT equipment	Fixtures and fittings	Motor vehicles	Work in Progress	Total
Cost:						
Balance at 1 January 2024	**429,374**	**753,042**	**380,252**	**5,450**	**49,094**	**1,617,212**
Additions	**-**	**1,130**	**2,794**	**-**	**68,415**	**72,339**
Foreign currency and other adjustments	**(4,265)**	**(165)**	**(236)**	**(233)**	**(3)**	**(4,902)**
Transfer to assets held for sale	**-**	**(8,666)**	**(23,549)**	**(802)**	**-**	**(33,017)**
Transfers	**(140,129)**	**64,067**	**2,619**	**-**	**(66,686)**	**(140,129)**
Impairment	**(20,043)**	**-**	**-**	**-**	**-**	**(20,043)**
Balance at 31 December 2024	**264,937**	**809,408**	**361,880**	**4,415**	**50,820**	**1,491,460**
Balance at 1 January 2023	481,267	727,269	382,577	5,348	30,869	1,627,330
Additions	-	2,260	2,464	495	65,227	70,446
Disposals	-	(338)	(1,514)	-	-	(1,852)
Foreign currency and other adjustments	(57,043)	(15,382)	(5,894)	(393)	-	(78,712)
Transfers	5,150	39,233	2,619	-	(47,002)	-
Balance at 31 December 2023	429,374	753,042	380,252	5,450	49,094	1,617,212
Accumulated depreciation:						
Balance at 1 January 2024	**109,313**	**638,700**	**349,038**	**4,636**	**-**	**1,101,687**
Depreciation charged during the year	**5,591**	**49,172**	**12,189**	**218**	**-**	**67,170**
Foreign currency and other adjustments	**(146)**	**(59)**	**(341)**	**(69)**	**-**	**(615)**
Transfer to assets held for sale	**-**	**(8,602)**	**(23,286)**	**(747)**	**-**	**(32,635)**
Balance at 31 December 2024	**114,758**	**679,211**	**337,600**	**4,038**	**-**	**1,135,607**
Balance at 1 January 2023	125,082	600,558	339,247	4,832	-	1,069,719
Depreciation /impairment charged during the year	6,101	52,131	16,723	194	-	75,149
Disposals	-	(338)	(1,514)	-	-	(1,852)
Foreign currency and other adjustments	(21,870)	(13,651)	(5,418)	(390)	-	(41,329)
Balance at 31 December 2023	109,313	638,700	349,038	4,636	-	1,101,687
Carrying amounts:						
Balance at 1 January 2023	356,185	126,711	43,330	516	30,869	557,611
Balance at 31 December 2023	320,061	114,342	31,214	814	49,094	515,525
Balance at 31 December 2024	**150,179**	**130,197**	**24,280**	**377**	**50,820**	**355,853**

As at and for the year ended 31 December 2024 QAR'000

15. INTANGIBLE ASSETS

	2024	2023
Goodwill		
Balance at 1 January	**217,814**	217,814
Transfer to assets held for sale	**(217,814)**	-
Balance at 31 December	**-**	217,814

QInvest

Goodwill acquired through the acquisition of QInvest L.L.C has been allocated to one CGU. An impairment testing of the goodwill was undertaken by management as at 31 December 2024. The recoverable amount of the investment in QInvest was determined using the dividend discount method.

Key assumptions used in the valuation

- QInvest plans to grow its fee income over the next five years.
- QInvest plans to deploy capital from low yield short term to higher yielding investments.
- QInvest plans to continue with its success in real estate investments and growth in its asset management business.
- QInvest plans to earn income from churning of its FVTOCI listed equity portfolio during the forecast period.
- QInvest plans to fund its financial position growth through getting financing and partly through customer deposits.
- QInvest is planning on maintaining stability and controlling its cost base over the next five years.

The equity value based on the valuation is higher than the carrying value of the investment in QIB books.

Goodwill which pertains to QInvest has been transferred to assets held for sale.

16. OTHER ASSETS

	Note	2024	2023
Projects under development		**254,344**	228,512
Shari'a compliant risk management instruments	16.1	**26,291**	306,359
Deferred tax assets		**-**	49,223
Prepayments and advances		**46,348**	72,469
Clearing & other receivables		**244,871**	145,986
Others (i)		**1,642,288**	1,494,367
		2,214,142	2,296,916

Notes:

(i) This includes the value of the property acquired in settlement of financing assets.

As at and for the year ended 31 December 2024 QAR'000

16. OTHER ASSETS (CONTINUED)

16.1 Shari'a compliant risk management instruments

The table below shows the positive and negative fair values of Shari'a compliant risk management instruments. The notional amounts, which provide an indication of the volumes of the transactions outstanding at the year end, do not necessarily reflect the amounts of future cash flows involved. These notional amounts, therefore, are not indicative of the Group's exposure to credit risk, which is generally limited to the positive or negative fair value of the instruments. These contracts are Shari'a compliant and were approved by the Shari'a Supervisory Board of the Group.

	2024			2023		
	Assets	**Liabilities**	**Notional amount**	Assets	Liabilities	Notional amount
a) Held for trading						
Forward foreign exchange promissory contracts	**5,334**	**34,544**	**2,201,284**	3,530	-	661,829
Profit rate promissory swaps	**2,373**	**-**	**72,800**	5,009	-	72,800
b) Held as cash flow hedges						
Forward foreign exchange promissory contracts	**365**	**339,982**	**2,984,652**	57,912	231,022	8,764,638
Profit rate promissory swaps	**9,395**	**-**	**2,912,000**	223,332	4,519	5,339,880
Cross currency promissory swaps	**8,824**	**-**	**179,605**	13,873	-	182,000
c) Held as hedge of net investment in foreign operation						
Forward foreign exchange promissory contracts	**-**	**-**	**-**	-	9,283	554,207
d) Held as fair value hedges						
Profit rate promissory swaps	**-**	**-**	**-**	1,832	-	273,000
Forward foreign exchange promissory contracts	**-**	**-**	**-**	871	-	89,642
	26,291	**374,526**	**8,350,341**	306,359	244,824	15,937,996

17. DUE TO BANKS

	2024	2023
Wakala payable	**13,556,654**	8,289,527
Commodity murabaha payable	**8,491,300**	10,722,425
Repurchase agreements	**1,891,420**	1,272,293
Current accounts	**45,049**	113,454
Mudarabah payable	**32,760**	36,400
	24,017,183	20,434,099

Wakala payables include various facilities with maturities up to thirty six months and carries a profit rate of 3.30% to 5.75% (2023: maturities up to thirty six months and carrying profit rate 1.1% to 6.45%).

The market value of securities given as collateral against the repurchase agreement borrowings are QAR 2,364 million (2023: QAR 1,518 million).

As at and for the year ended 31 December 2024 QAR'000

18. CUSTOMERS' CURRENT ACCOUNTS

	2024	2023
Current accounts by sector:		
- Government	**1,741,799**	698,214
- Non-banking financial institutions	**207,244**	181,082
- Corporate	**4,025,162**	3,778,554
- Individuals	**10,454,843**	9,990,255
	16,429,048	14,648,105

19. SUKUK FINANCING

	2024	2023
Balance as at 1 January	**14,668,250**	12,453,056
Issued during the year	**2,730,000**	3,640,000
Less: Redemption during the year	**(3,640,000)**	(1,454,180)
Profit payable	**(3,503)**	15,012
Unamortised (discount) / premium	**(8,618)**	17,679
Foreign currency and other adjustments	**(4,609)**	(3,317)
Balance as at 31 December	**13,741,520**	14,668,250

The terms of the above sukuks' arrangement include transfer of certain identified assets including original leased and Musharaka assets and Sharia'a compliant authorised investments of the Group to QIB Sukuk Ltd, which is a subsidiary of the Group.

The Group controls the assets which will continue to be serviced by the Bank. Upon maturity of the Sukuks, the Bank has undertaken to repurchase the assets at the same issuance price.

The details of financing assets backing the Sukuk as at 31 December are as follows:

At 31 December	2024	2023
Murabaha	**3,016,002**	4,695,844
Ijarah	**12,330,441**	11,806,123
Total financing assets to the Sukuk	**15,346,443**	16,501,967

The table below shows the maturity profile of the sukuks outstanding as at the end of the reporting period:

Year of Maturity	2024	2023
2024	**-**	3,640,000
2025	**7,098,000**	7,098,000
2026	**164,577**	169,187
2028	**3,640,000**	3,640,000
2029	**2,730,000**	-
	13,632,577	14,547,187

The above debt securities comprise of fixed and floating profit rates. The profit rate paid on the above averaged 3.53% (2023: 3.15%).

As at and for the year ended 31 December 2024 QAR'000

20. OTHER LIABILITIES

	Note	2024	2023
Accrued expenses		**382,863**	461,078
Manager cheques and demand drafts		**428,183**	409,855
Customers advances		**15,703**	33,931
Provision for employees' end of service benefits (i)		**229,323**	226,013
Clearing, Naps and visa settlements		**410,446**	664,218
Cash margins		**230,163**	319,029
Contribution to Social and Sports fund		**115,133**	107,630
Pension fund		**2,128**	648
Acceptances		**31,043**	49,596
Letter of credit and guarantee under settlement		**229,403**	228,448
Shari'a compliant risk management instruments	16.1	**374,526**	244,824
Others		**264,643**	376,302
Allowance for impairment for financing commitments and financial guarantees		**112,187**	81,520
		2,825,744	3,203,092

Notes:

(i) Movement in provision for employees' end of service benefits is as follows:

	2024	2023
Balance at 1 January	**226,013**	213,997
Charge for the year (Note 29)	**22,612**	22,761
Payments during the year	**(11,231)**	(6,873)
Liabilities directly associated with assets held for sale	**(19,823)**	-
Other movements	**11,752**	(3,872)
Balance at 31 December	**229,323**	226,013

21. QUASI-EQUITY

	2024	2023
Quasi-equity balance before share of profit	**106,430,580**	104,493,567
Add: Net profit attributable to quasi-equity holders	**4,988,338**	4,221,622
Less: Profit paid during the year	**(2,907,243)**	(2,587,328)
Total Quasi-equity balance after share of profit and before share of fair value reserve	**108,511,675**	106,127,861

	2024	2023
Share of Quasi-equity profit for the year before the bank's share as mudarib	**11,249,915**	9,819,465
Less: Mudarib share	**(6,261,577)**	(5,597,843)
Total profit distributed to Quasi-equity for the year	**4,988,338**	4,221,622

As at and for the year ended 31 December 2024 QAR'000

21. QUASI-EQUITY (CONTINUED)

	2024	2023
By type:		
Term accounts	**87,351,811**	87,027,251
Saving accounts	**19,416,431**	17,476,223
Call accounts	**1,743,433**	1,624,387
Total	**108,511,675**	106,127,861
By sector:		
Retail	**48,876,877**	47,349,904
Corporate	**14,540,527**	15,997,360
Non-banking financial institution	**6,022,153**	5,461,438
Government	**37,811,108**	36,092,150
Banks	**1,261,010**	1,227,009
Total	**108,511,675**	106,127,861

	2024	2023
Total Quasi-equity balance after share of profit and before share of fair value reserve	**108,511,675**	106,127,861
Share in fair value reserve	**53,963**	58,554
Total Quasi-equity balance	**108,565,638**	106,186,415

22. EQUITY

(a) Share capital

	2024	2023
At 31 December	**2,362,932**	2,362,932

At 31 December 2024 the authorised and issued share capital comprised of 2,363 million ordinary shares (2023: 2,363 million), having a par value of QAR 1 per share.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders meetings of the Bank.

(b) Legal reserve
In accordance with QCB Law No. 13 of 2012 as amended, 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. This reserve is not available for distribution except in circumstances specified in Qatar Commercial Companies Law No. 11 of 2015 and its amendments, and after QCB approval. No appropriation was made in the current year as the legal reserve exceeds 100% of the paid up share capital.

(c) 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 inside and outside Qatar after the exclusion of the specific provisions and profit in suspense, to be appropriated from shareholders' profit. The finance provided to / or secured by the Ministry of Finance – Qatar or finance against cash guarantees is excluded from the gross direct finance. The total amount transferred to the risk reserve during the year amounted to QAR 149.7 million (2023: QAR 310.9 million).

(d) 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.

(e) Retained earnings
Retained earnings include the Group's share in profit of associates. These profits are distributable to the holders of ordinary shares only to the extent of the cash received.

As at and for the year ended 31 December 2024 QAR'000

22. EQUITY (CONTINUED)

(f) Fair value reserve

	2024	2023
Opening balance	**(18,637)**	197,141
Changes in fair value of cash flow hedges	**(69,382)**	(222,196)
Share of other comprehensive income of associates	**3,076**	1,626
Investments carried as fair value through other comprehensive income:		
(Decrease)/ increase in fair value reserve	**(9,254)**	26,239
Share of Quasi-equity	**4,257**	3,000
Revaluation of investment properties:		
Movement in fair value of investment properties	**637**	(40,147)
Share of quasi-equity	**334**	15,700
	(88,969)	(18,637)

(g) 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 shari'a compliant risk management instruments that hedge the Group's net investment in foreign operations.

(h) Other reserves

Other reserves represent the Group's share in the undistributed profit from investments in associate companies after deducting the received dividends. During the year no transfers to other reserves from retained earnings were made (2023: QAR Nil).

(i) Proposed cash dividends

The Board of Directors in its meeting dated 15 January 2025 has proposed additional cash dividend of 55% of the paid up share capital amounting to QAR 1,299.6 million – QAR 0.55 per share which takes the total cash dividend during the year 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) which is subject to approval at the Annual General Meeting of the shareholders of the Bank.

The Board of Directors 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.

23. NON-CONTROLLING INTERESTS

This represents the Group's non-controlling interests in QInvest LLC (34.38%), QIB (UK) (0.29%), Aqar Real Estate Development & Investment (51%), Arab Finance House (0.007%) and Durat Al Doha Real Estate Investment & Development Company (17.39%).

24. 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 of 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 2022 for the coming six years.

As at and for the year ended 31 December 2024 QAR'000

25. NET INCOME FROM FINANCING ACTIVITIES

	2024	2023
Income from:		
Murabaha	**6,126,963**	5,602,269
Musawama	**1,880,018**	1,475,363
Ijarah Muntahia Bittamleek	**1,576,790**	1,501,826
Others	**183**	272
	9,583,954	8,579,730

26. NET INCOME FROM INVESTING ACTIVITIES

	2024	2023
Income from debt-type instruments carried at amortised cost	**2,438,800**	2,246,106
Net cost of placements with / from banks	**(1,273,943)**	(1,016,915)
Net loss on sale of debt-type instruments carried at amortised cost	**(14)**	(255)
Net gain on sale of equity and debt type instruments carried at fair value	**126,912**	78,737
Fair value gain on equity and debt type instruments carried at fair value through income statement	**96,667**	30,505
Gains and rental income from investment properties	**83,461**	82,715
Dividend and other income	**114,832**	114,552
	1,586,715	1,535,445

27. NET FEE AND COMMISSION INCOME

	2024	2023
Feasibility study and facility management fees	**209,123**	296,717
Fees on letters of credit and guarantees	**64,501**	62,338
Banking services fees	**788,484**	700,165
Advisory fees	**1,878**	17,667
Others	**182,180**	147,883
	1,246,166	1,224,770
Fee and commission expense	**(378,816)**	(335,525)
Net fee and commission income	**867,350**	889,245

28. NET FOREIGN EXCHANGE GAIN

	2024	2023
Dealing in foreign currencies	**112,407**	144,639
Foreign exchange swap loss	**(62,337)**	(96,040)
Revaluation of assets and liabilities	**43,995**	1,864
	94,065	50,463

29. STAFF COSTS

	2024	2023
Salaries and other benefits	**631,980**	619,962
Staff pension fund costs	**13,717**	13,267
Staff indemnity costs (Note 20)	**22,612**	22,761
	668,309	655,990

As at and for the year ended 31 December 2024 QAR'000

30. OTHER EXPENSES

	2024	2023
Legal and professional fees	**41,050**	45,127
Rent	**39,339**	38,449
Service expenses	**80,643**	68,251
Board of Directors' remuneration	**25,500**	25,500
IT expenses	**79,706**	60,248
Advertising and marketing expenses	**27,618**	17,466
Communication and utilities	**37,668**	37,566
Subscription fees	**5,746**	5,787
Repairs and maintenance	**13,182**	12,399
Insurance costs	**4,939**	6,168
Other expenses	**58,216**	69,130
	413,607	386,091

31. TAX EXPENSE

	2024	2023
Current year	**29,874**	12,948
Total tax expense	**29,874**	12,948

Impact of Pillar Two Legislation

Qatar, the jurisdiction of the parent company has committed to adopt and implement the Base Erosion and Profit Shifting (BEPS) Pillar Two Anti Global Base Erosion ("GloBE") Rules, which have multiple mechanisms that aim to ensure that large multinational enterprises maintain minimum effective tax rate of 15% in every jurisdiction that QIB Group operates. For the year ended 31 December 2024, Qatar operations of the parent company are exempt from tax, which is expected to be subject to a Qualified Domestic Minimum Top-up Tax (DMTT) of 15% beginning 1 January 2025.

The Group has performed an assessment of its potential exposure to Pillar Two income taxes based on the 2023 country-by-country reporting and 2024 financial information for the constituent entities in the Group. The Group has considered the Transitional CBC Safe Harbour (TCSH) relief offered by OECD for 2024. Based on the analysis most jurisdictions meet the TCSH and therefore the Pillar Two income tax is deemed to be zero in those jurisdictions. Jurisdictions that do not meet the TCSH, are either not subject to a charging mechanism under GloBE in 2024 or are not expected to trigger any Pillar Two income tax. The Group continues to follow Pillar Two legislative developments, as further countries enact the Pillar Two model rules, to evaluate the potential future impact on its consolidated statement of income, financial position and cash flows.

The Group has applied the mandatory exception to recognizing and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes. Pillar two income taxes are Nil for the year ended 31 December 2024.

On 23 December 2024, the Shura Council in Qatar approved amendments to select provisions to the Income Tax Law promulgated under Law No. 24 of 2018. An announcement by the General Tax Authority (GTA) has indicated that the amendments include a Domestic Minimum Top Up Tax (DMTT) which will be implemented in Qatar beginning 1 January 2025, ensuring compliance with the standards set by the OECD.

32. CONTINGENT LIABILITIES AND COMMITMENTS

		2024	2023
a)	**Contingent liabilities**		
	Unutilised financing facilities	**8,434,271**	8,241,818
	Guarantees	**10,470,912**	9,103,126
	Letters of credit	**740,849**	779,939
		19,646,032	18,124,883
b)	**Commitments**		
	Investment commitment	**-**	351,098
	Total	**19,646,032**	18,475,981

As at and for the year ended 31 December 2024 QAR'000

32. CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)

Unutilised financing facilities
Commitments to extend credit represent contractual commitments to make financings and revolving financing. The majority of these will expire in the next year. Since commitments may expire without being drawn upon, the total contractual amounts do not necessarily represent future cash requirements.

Guarantees and Letters of Credit
Guarantees and letters of credit commit the Group to make payments on behalf of customers in case of a specific event. Guarantees and standby letters of credit carry the same credit risk as financing.

33. CONCENTRATION OF ASSETS, LIABILITIES AND QUASI-EQUITY

Geographical sector
Following is the concentration of assets, liabilities and quasi-equity into geographical sectors regions:

2024	Qatar	Other GCC	Europe	North America	Others	Total
Assets						
Cash and balances with central banks	7,929,645	-	253,890	-	499,531	8,683,066
Due from banks	1,807,842	120,936	343,316	48,891	167,265	2,488,250
Financing assets	118,117,426	1,376,007	2,533,816	2,420,409	826,358	125,274,016
Investment securities	48,315,749	2,196,313	1,988,710	313,646	193,828	53,008,246
Investment in associates	1,100,365	-	-	-	-	1,100,365
Investment properties	1,968,187	48,509	451,097	-	-	2,467,793
Fixed assets	296,602	-	58,509	-	742	355,853
Other assets	2,053,352	80,234	3,736	-	76,820	2,214,142
Assets held for sale	1,629,643	162,416	1,194,324	2,110,846	90,816	5,188,045
Total assets	183,218,811	3,984,415	6,827,398	4,893,792	1,855,360	200,779,776
Liabilities and Quasi-equity						
Liabilities						
Due to banks	9,018,669	6,566,363	5,158,661	-	3,273,490	24,017,183
Customers' current accounts	15,704,696	28,894	144,184	83,328	467,946	16,429,048
Sukuk financing	-	-	13,741,520	-	-	13,741,520
Other liabilities	2,648,578	989	51,073	-	125,104	2,825,744
Liabilities directly associated with assets held for sale	823,287	1,795,595	792,026	4,074	14,817	3,429,799
Total liabilities	28,195,230	8,391,841	19,887,464	87,402	3,881,357	60,443,294
Quasi-equity	97,302,672	4,558,806	4,401,220	2,116,085	186,855	108,565,638
Total liabilities and Quasi-equity	125,497,902	12,950,647	24,288,684	2,203,487	4,068,212	169,008,932

33. CONCENTRATION OF ASSETS, LIABILITIES AND QUASI-EQUITY (CONTINUED)

Geographical sector (continued)

2023	Qatar	Other GCC	Europe	North America	Others	Total
Assets						
Cash and balances with central banks	7,410,769	-	185,918	-	440,646	8,037,333
Due from banks	2,473,530	4,276	470,895	140,212	172,960	3,261,873
Financing assets	115,053,618	1,119,866	2,453,151	2,870,477	883,731	122,380,843
Investment securities	41,646,770	2,031,911	2,280,552	1,877,144	176,895	48,013,272
Investment in associates	1,127,659	-	-	-	-	1,127,659
Investment properties	2,601,180	48,509	656,175	-	-	3,305,864
Fixed assets	452,341	-	58,824	-	4,360	515,525
Intangible assets	216,056	-	-	-	1,758	217,814
Other assets	1,870,356	172,759	165,486	-	88,315	2,296,916
Total assets	172,852,279	3,377,321	6,271,001	4,887,833	1,768,665	189,157,099
Liabilities and Quasi-equity						
Liabilities						
Due to banks	5,550,931	7,691,224	5,403,002	-	1,788,942	20,434,099
Customers' current accounts	13,905,764	10,099	121,352	117,336	493,554	14,648,105
Sukuk financing	-	-	14,668,250	-	-	14,668,250
Other liabilities	2,915,102	82,461	139,439	2,903	63,187	3,203,092
Total liabilities	22,371,797	7,783,784	20,332,043	120,239	2,345,683	52,953,546
Quasi-equity	93,306,153	4,790,291	5,116,140	2,562,373	411,458	106,186,415
Total liabilities and Quasi-equity	115,677,950	12,574,075	25,448,183	2,682,612	2,757,141	159,139,961

34. EARNINGS PER SHARE

Earnings per share of the Bank is calculated by dividing profit for the year attributable to the equity holders of the Bank by the weighted average number of ordinary shares in issue during the year.

	2024	2023
Profit for the year attributable to equity holders of the Bank	**4,605,321**	4,305,205
Less: profit attributable on sukuk eligible as additional capital	**(218,643)**	(218,643)
Profit for EPS computation	**4,386,678**	4,086,562
Weighted average number of shares outstanding during the year (in thousands)	**2,362,932**	2,362,932
Basic / diluted earnings per share (QAR)	**1.86**	1.73

As at and for the year ended 31 December 2024 QAR'000

35. CASH AND CASH EQUIVALENTS

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

	2024	2023
Cash and balances with central banks (excluding restricted QCB and other central banks reserve account)	**2,270,158**	1,507,687
Due from banks	**2,353,849**	3,101,035
	4,624,007	4,608,722

36. RELATED PARTIES

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 major shareholders and entities over which the Group and the shareholders' exercise significant influence, directors and executive management of the Group.

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

	2024		2023	
	Associate companies	**Board of Directors**	Associate Companies	Board of Directors
Assets:				
Gross financing assets	**2,834,897**	**20,576,868**	3,025,685	20,409,194
Liabilities:				
Customers' current accounts	**504**	**241,329**	1,006	190,865
Quasi Equity:				
Participatory investment accounts	**250,330**	**990,549**	280,195	1,371,566
Off balance sheet items:				
Contingent liabilities, guarantees and other commitments	**-**	**83,860**	14,184	114,710
Consolidated statement of income items:				
Income from financing activities	**213,422**	**1,642,056**	150,451	1,404,859
Return to quasi-equity	**6,487**	**57,947**	2,154	67,625
Others	**9,819**	**20,686**	7,765	26,965

Key management personnel compensation for the year comprised:

	2024	2023
Short term employee benefits	**91,622**	92,776
Other long term benefits	**4,733**	6,052
	96,355	98,828

37. ZAKAH

Zakah is directly borne by the shareholders. The Bank does not collect or pay Zakah on behalf of its shareholders in accordance with the Articles of Association.

As at and for the year ended 31 December 2024 QAR'000

38. SHARI'A SUPERVISORY BOARD

The Shari'a Supervisory Board of the Group consists of three scholars who are specialised in Shari'a principles and they ensure the Group's compliance with general Islamic principles and work in accordance with the issued Fatwas and guiding rules. The Board's review includes examining the evidence related to documents and procedures adopted by the Group in order to ensure that its activities are according to the principles of Islamic Shari'a.

39. SOCIAL AND SPORTS FUNDS APPROPRIATION

The Group discharges its social responsibilities through donations to charitable causes and organizations when profits are reported. The Group has created provisions during the year 2024 of QAR 115.1 million (2023: QAR 107.6 million) which represents 2.5% of net profit as per law No.13 for year 2008 and explanatory notes issued for 2010.

40. 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 the reporting date. 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 of QInvest LLC as held for sale as at 31 December 2024 are, as follows:

	2024
Assets	
Due from banks	292,532
Financing assets	448,943
Investment securities	3,062,841
Investment in associates	55,593
Investment properties	918,939
Fixed assets	562
Intangible assets	1,758
Other assets	190,821
Goodwill	216,056
Assets held for sale	**5,188,045**
Liabilities	
Due to banks	3,061,952
Other liabilities	367,847
Liabilities directly associated with assets held for sale	**3,429,799**
Net assets directly associated with disposal group	**1,758,246**
Amounts included in the accumulated OCI:	
Fair value reserve of equity investments	(106,403)
Foreign currency translation reserve	35,956
Reserve of disposal group classified as held for sale	**(70,447)**

During the year, the results of the operations of the disposal group amounted to QR 7.3 million and it was recognised in the statement of income for the year ended 31 December 2024.

As at and for the year ended 31 December 2024 QAR'000

40. ASSET AND LIABILITIES HELD FOR SALE (CONTINUED)

The net cash flows incurred by QInvest LLC are, as follows:

	2024	2023
Operating	**(34,434)**	(45,369)
Investing	**(289,165)**	24,140
Financing	**306,768**	(41,518)
Net cash outflow	**(16,831)**	(62,747)

	2024
Off-balance sheet assets under management	**324,503**
Contingent liabilities and commitments	**448,922**

41. SOURCES AND APPLICATION OF CHARITY FUND

	2024	2023
Source of charity fund		
Earnings prohibited by Sharia'a during the year	**100**	105
Use of charity fund		
Researches, donations and other uses during the year	**(2)**	(60)
Decrease of sources over uses	**98**	45

42. COMPARATIVE FIGURES

The comparative figures presented for 2023 have been reclassified where necessary to preserve consistency with the 2024 figures. However, such reclassifications did not have any effect on the consolidated net profit or the total consolidated equity for the comparative year.

As at 31 December 2024 QAR '000

FINANCIAL STATEMENTS OF THE PARENT BANK

A. STATEMENT OF FINANCIAL POSITION OF THE PARENT BANK

As at 31 December	**2024**	2023
Assets		
Cash and balances with central banks	**7,929,609**	7,410,707
Due from banks	**2,597,695**	2,919,482
Financing assets	**123,126,840**	119,827,556
Investment securities	**52,377,207**	44,661,753
Investment in associates and subsidiaries	**3,620,960**	3,602,809
Investment properties	**1,416,955**	1,303,844
Fixed assets	**294,044**	448,738
Other assets	**2,031,766**	1,873,905
Total assets	**193,395,076**	182,048,794
Liabilities		
Due to banks	**23,653,072**	17,192,361
Customers' current accounts	**15,820,586**	13,994,454
Sukuk financing	**13,741,520**	14,668,250
Other liabilities	**4,040,773**	4,160,336
Total liabilities	**57,255,951**	50,015,401
Quasi-equity		
Participatory investment accounts	**104,595,888**	102,245,691
Reserves attributable to quasi-equity	**53,963**	58,554
	104,649,851	102,304,245
Equity		
Share capital	**2,362,932**	2,362,932
Legal reserve	**6,353,459**	6,353,459
Risk reserve	**3,102,283**	2,952,553
General reserve	**79,485**	79,485
Fair value reserve	**17,151**	91,043
Foreign currency translation reserve	**(84,761)**	(79,128)
Other reserves	**212,058**	212,058
Retained earnings	**15,446,667**	13,756,746
Total equity attributable to equity holders of the bank	**27,489,274**	25,729,148
Sukuk eligible as additional capital	**4,000,000**	4,000,000
Total equity	**31,489,274**	29,729,148
Total liabilities, Quasi-equity and equity	**193,395,076**	182,048,794
Off-balance sheet assets under management	**10,520**	10,520
Contingent liabilities and commitments	**19,817,246**	18,135,544

For the year ended 31 December 2024 QAR '000

B. STATEMENT OF INCOME OF THE PARENT BANK

For the year ended 31 December	2024	2023
Net income from financing activities	**9,308,703**	8,380,304
Net income from investing activities	**1,412,206**	1,405,425
Sukuk holder's share of profit	**(451,866)**	(372,991)
Total income from financing and investing activities	**10,269,043**	9,412,738
Fee and commission income	**1,233,075**	1,187,243
Fee and commission expense	**(377,488)**	(333,589)
Net fee and commission income	**855,587**	853,654
Net foreign exchange gain	**49,490**	35,522
Share of results of associates	**59,552**	43,507
Total income	**11,233,672**	10,345,421
Staff costs	**(562,484)**	(524,563)
Depreciation and amortization	**(63,174)**	(69,524)
Other expenses	**(342,859)**	(300,018)
Total expenses	**(968,517)**	(894,105)
Net impairment reversals on investment securities	**264**	111
Net impairment losses on financing assets	**(910,753)**	(1,065,574)
Net other impairment losses	**(39,520)**	(14,554)
Profit for the year before attribution to quasi-equity	**9,315,146**	8,371,299
Less: Net profit attributable to quasi-equity holders	**(4,766,915)**	(4,059,383)
Profit for the year	**4,548,231**	4,311,916