



DUKHAN BANK Q.P.S.C.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

**FOR THE NINE MONTH PERIOD ENDED
30 SEPTEMBER 2023
(REVIEWED)**

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the nine month period ended 30 September 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE BOARD OF DIRECTORS OF DUKHAN BANK Q.P.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Dukhan Bank Q.P.S.C. (the "Bank") and its subsidiaries (together referred to as the "Group") as at 30 September 2023, comprising of the interim consolidated statement of financial position as at 30 September 2023, and the related interim consolidated statement of income for the three and nine month periods ended 30 September 2023, interim consolidated statement of changes in shareholder's equity, interim consolidated statement of cash flows and interim consolidated statement of changes in restricted investment accounts for the nine month period then ended, and the related explanatory notes.

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

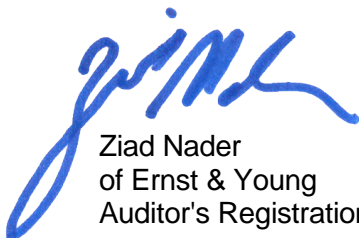
Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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



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



Date: 29 October 2023
Doha

		30 September 2023 (Reviewed) QAR '000	31 December 2022 (Audited) QAR '000
	Notes		
ASSETS			
Cash and balances with Qatar Central Bank	7	3,757,166	6,425,410
Due from banks	8	11,344,216	1,499,934
Financing assets	9	75,820,248	75,676,514
Investment securities	10	19,381,171	20,431,560
Investment in associates and joint ventures	11	37,350	64,111
Investment properties		134,846	135,021
Fixed assets		232,747	264,008
Intangible assets	16	854,864	913,714
Other assets		1,066,885	865,744
TOTAL ASSETS		112,629,493	106,276,016
LIABILITIES			
Due to banks	12	18,891,882	14,871,443
Customer current accounts		16,412,996	8,251,685
Other liabilities		2,170,814	2,523,315
TOTAL LIABILITIES		37,475,692	25,646,443
EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS			
	13	60,583,027	66,293,521
SHAREHOLDERS' EQUITY			
Share capital	14(a)	5,234,100	5,234,100
Legal reserve	14(b)	4,575,119	4,575,119
Treasury shares	14(e)	(38,350)	(38,350)
Risk reserve	14(c)	1,430,377	1,430,377
Fair value reserve	10	(118,094)	(131,351)
Foreign currency translation reserve		1	(2)
Cash flow hedge reserve		23,072	-
Other reserves	14(d)	75,180	75,180
Retained earnings		1,568,528	1,370,138
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK		12,749,933	12,515,211
Non-controlling interests		91	91
Sukuk eligible as additional capital	21	1,820,750	1,820,750
TOTAL SHAREHOLDERS' EQUITY		14,570,774	14,336,052
TOTAL LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS AND SHAREHOLDERS' EQUITY		112,629,493	106,276,016

These interim condensed consolidated financial statements were approved by the Board of Directors on 29 October 2023 and were signed on its behalf by:

Mohamed Bin Hamad Bin Jassim Al Thani
Chairman and Managing Director

Ahmed I. Hashem
Acting Chief Executive Officer

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

	<i>Notes</i>	<i>For the three month period ended 30 September</i>		<i>For the nine month period ended 30 September</i>	
		<i>2023 (Reviewed) QAR'000</i>	<i>2022 (Reviewed) QAR'000</i>	<i>2023 (Reviewed) QAR'000</i>	<i>2022 (Reviewed) QAR'000</i>
Net income from financing activities		1,138,167	784,907	3,323,728	2,245,313
Net income from investing activities		215,117	187,125	631,463	554,124
Total net income from financing and investing activities		1,353,284	972,032	3,955,191	2,799,437
Fee and commission income		133,442	70,366	329,267	234,833
Fee and commission expense		(44,648)	(25,502)	(104,330)	(76,242)
Net fee and commission income		88,794	44,864	224,937	158,591
Net foreign exchange gain		30,314	52,950	105,269	176,406
Share of results of associates and joint ventures	11	(456)	732	(6,362)	1,616
Other income		25,016	7,774	86,723	16,018
Total income		1,496,952	1,078,352	4,365,758	3,152,068
Staff costs		(101,963)	(108,023)	(306,217)	(315,179)
Depreciation and amortisation		(34,943)	(33,933)	(104,129)	(101,735)
Other expenses		(62,734)	(62,729)	(153,066)	(146,862)
Finance cost		(228,956)	(53,222)	(662,124)	(80,359)
Total expenses		(428,596)	(257,907)	(1,225,536)	(644,135)
Net impairment reversal/(loss) on financing assets	4(a)	4,426	(68,399)	(49,985)	(389,329)
Net impairment reversal/(loss) on due from banks	4(a)	221	(168)	33	(567)
Net impairment (loss)/reversal on investment securities	4(a)	(43)	(2,238)	977	7,405
Net impairment (loss)/reversal on off balance sheet exposures subject to credit risk	4(a)	(9,492)	14,969	(27,790)	3,086
		(4,888)	(55,836)	(76,765)	(379,405)
Profit for the period before return to unrestricted investment account holders		1,063,468	764,609	3,063,457	2,128,528
Return to unrestricted investment account holders	13	(716,670)	(428,622)	(1,955,655)	(1,045,872)
Net profit for the period before tax		346,798	335,987	1,107,802	1,082,656
Tax expense		-	(630)	(447)	(1,890)
Net profit for the period		346,798	335,357	1,107,355	1,080,766
Net profit for the period attributable to:					
Equity holders of the Bank		346,798	335,357	1,107,355	1,080,766
Non-controlling interests		-	-	-	-
Net profit for the period		346,798	335,357	1,107,355	1,080,766
Earnings per share					
Basic and diluted earnings per share (QAR per share)	17	0.063	0.061	0.203	0.198

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

DUKHAN BANK Q.P.S.C.
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the nine month period ended 30 September 2023

<i>For the nine month period ended 30 September 2023</i>	<i>Share capital</i>	<i>Legal reserve</i>	<i>Treasury shares</i>	<i>Risk reserve</i>	<i>Fair value reserve</i>	<i>Foreign currency translation reserve</i>	<i>Cash flow hedge reserve</i>	<i>Other reserves</i>	<i>Retained earnings</i>	<i>Total equity attributable to equity holders of the Bank</i>	<i>Non-controlling interests</i>	<i>Sukuk eligible as additional capital</i>	<i>Total shareholders' equity</i>
	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>
Balance at 1 January 2023 (Audited)	5,234,100	4,575,119	(38,350)	1,430,377	(131,351)	(2)	-	75,180	1,370,138	12,515,211	91	1,820,750	14,336,052
Net profit for the period	-	-	-	-	-	-	-	-	1,107,355	1,107,355	-	-	1,107,355
Share of comprehensive income of associates	-	-	-	-	-	3	-	-	-	3	-	-	3
Transferred to retained earnings on disposal of equity-type instruments classified as fair value through equity	-	-	-	-	5,725	-	-	-	(5,725)	-	-	-	-
Effective portion of changes in fair value of Cash flow hedge	-	-	-	-	-	-	23,072	-	-	23,072	-	-	23,072
Fair value reserve movement	-	-	-	-	7,532	-	-	-	-	7,532	-	-	7,532
Total recognised income for the period	-	-	-	-	13,257	3	23,072	-	1,101,630	1,137,962	-	-	1,137,962
Dividend paid (Note 14(f))	-	-	-	-	-	-	-	-	(831,322)	(831,322)	-	-	(831,322)
Profit on Sukuk eligible as additional capital (Note 21)	-	-	-	-	-	-	-	-	(71,918)	(71,918)	-	-	(71,918)
Balance at 30 September 2023 (Reviewed)	5,234,100	4,575,119	(38,350)	1,430,377	(118,094)	1	23,072	75,180	1,568,528	12,749,933	91	1,820,750	14,570,774

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Doha - Qatar

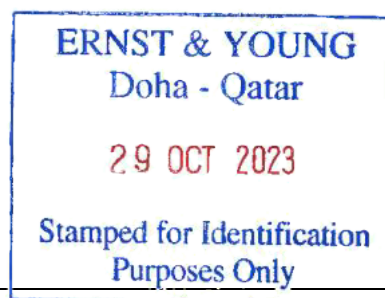
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The attached notes 1 to 23 form part of these interim condensed consolidated financial statements.

DUKHAN BANK Q.P.S.C.
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the nine month period ended 30 September 2023

<i>For the nine month period ended 30 September 2022</i>	<i>Share capital</i>	<i>Legal reserve</i>	<i>Treasury shares</i>	<i>Risk reserve</i>	<i>Fair value reserve</i>	<i>Foreign currency translation reserve</i>	<i>Other reserves</i>	<i>Retained earnings</i>	<i>Total equity attributable to equity holders of the Bank</i>	<i>Non- controlling interests</i>	<i>Sukuk eligible as additional capital</i>	<i>Total shareholders' equity</i>
	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>
Balance at 1 January 2022 (Audited)	5,234,100	4,449,812	(38,350)	1,338,716	(27,098)	-	73,333	1,135,207	12,165,720	91	1,820,750	13,986,561
Net profit for the period	-	-	-	-	-	-	-	1,080,766	1,080,766	-	-	1,080,766
Fair value reserve movement	-	-	-	-	(95,614)	(3)	-	-	(95,617)	-	-	(95,617)
Total recognised income for the period	-	-	-	-	(95,614)	(3)	-	1,080,766	985,149	-	-	985,149
Profit paid on Sukuk eligible as additional capital (Note 21)	-	-	-	-	-	-	-	(71,920)	(71,920)	-	-	(71,920)
Dividend paid (Note 14(f))	-	-	-	-	-	-	-	(727,405)	(727,405)	-	-	(727,405)
<i>Balance at 30 September 2022 (Reviewed)</i>	<i>5,234,100</i>	<i>4,449,812</i>	<i>(38,350)</i>	<i>1,338,716</i>	<i>(122,712)</i>	<i>(3)</i>	<i>73,333</i>	<i>1,416,648</i>	<i>12,351,544</i>	<i>91</i>	<i>1,820,750</i>	<i>14,172,385</i>



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

For the nine month period ended 30 September 2023

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INTERIM CONSOLIDATED STATEMENT OF CHANGES IN RESTRICTED INVESTMENT ACCOUNTS

For the nine month period ended 30 September 2023

For the nine month period ended 30 September 2023

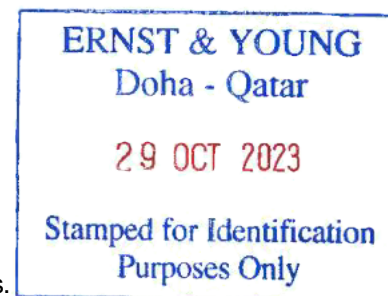
Movements during the period

	<i>At 1 January 2023 (Audited)</i>					<i>At 30 September 2023 (Reviewed)</i>
	<i>Total value</i>	<i>Investment</i>	<i>Revaluation</i>	<i>Gross</i>	<i>Dividends</i>	<i>Total value</i>
	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>	<i>Income</i>	<i>paid</i>	<i>QAR '000</i>
	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>
Discretionary Portfolio Management	472,930	11,234	2,181	2,233	-	488,578
Other Restricted Wakalas	2,481,472	334,640	22,226	57,129	(57,129)	2,838,338
	2,954,402	345,874	24,407	59,362	(57,129)	3,326,916

For the nine month period ended 30 September 2022

Movements during the period

	<i>At 1 January 2022 (Audited)</i>					<i>At 30 September 2022 (Reviewed)</i>
	<i>Total value</i>	<i>Investment</i>	<i>Revaluation</i>	<i>Gross</i>	<i>Dividends</i>	<i>Total value</i>
	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>	<i>Income</i>	<i>paid</i>	<i>QAR '000</i>
	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>
Discretionary Portfolio Management	590,611	(111,566)	9,658	-	-	488,703
Other Restricted Wakalas	2,230,438	212,197	43,962	51,107	(51,107)	2,486,597
	2,821,049	100,631	53,620	51,107	(51,107)	2,975,300



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

1. REPORTING ENTITY

Dukhan Bank was incorporated as a Qatari Shareholding Company in the State of Qatar under Commercial Registration No. 38012 dated 28 January 2008 (the “date of incorporation”). Dukhan Bank (the “Bank”) commenced its activities on 1 February 2009 under Qatar Central Bank (“QCB”) License No. RM/19/2007. The Bank and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) are primarily engaged in financing, investing and advisory activities in accordance with Islamic Shari’a rules as determined by the Shari’a Committee of the Bank and provisions of its Memorandum and Articles of Association. Investment activities are carried out for proprietary purposes and on behalf of customers.

On 21 April 2019, the Bank and International Bank of Qatar (“IBQ”) merged, the merger became effective upon receiving QCB confirmation pursuant to Article 161(2) of the Central Bank Law, Article 278 of the Companies Law, and the Merger Agreement.

The Bank operates through its head office situated on Grand Hamad Street, Doha and its 9 branches in the State of Qatar. The Bank is 24.5% owned by the General Retirement and Social Insurance Authority, 11.7% by the Military Pension Fund (Qatar), and 7.0% by Qatar Holding, strategic and direct investment arm of Qatar Investment Authority being the sovereign wealth fund of the State of Qatar; and remaining shares are owned by the general public. The Bank rebranded itself from Barwa Bank to Dukhan Bank during October 2020 post obtaining necessary approvals as per the State of Qatar applicable laws and regulations.

On 15 January 2023, the extraordinary general assembly resolution resolved to convert the Bank from a Qatari Private Shareholding Company to a Qatari Public Shareholding Company and subsequently list on the Qatar Stock Exchange. On 22 January 2023, pursuant to Resolution No. 2 of 2023 by the Minister of Industry and Commerce, the Bank was converted from a Qatari Private Shareholding Company to a Qatari Public Shareholding Company. The conversion from a Qatari Private Shareholding Company to a Qatari Public Shareholding Company was formally announced in the Constitutional General Assembly meeting held on 25 January 2023. Consequently, there were no changes in the interest held by the shareholders of the Bank. On 1 February 2023, Qatar Financial Markets Authority (“QFMA”) approved the listing of the Bank’s shares on the Qatar Stock Exchange. Following the QFMA’s approval, trading of the Bank’s shares on the Qatar Stock Exchange commenced on 21 February 2023.

The principal subsidiaries of the Group are as follows:

Name of subsidiary	Country of incorporation	Year of incorporation	Percentage of ownership as at	
			30 September 2023	31 December 2022
The First Investor P.Q.S.C. (“TFI”)	Qatar	1999	100%	100%
First Finance Company P.Q.S.C. (“FFC”)	Qatar	1999	100%	100%
First Leasing Company P.Q.S.C. (“FLC”)	Qatar	2008	100%	100%
BBG Sukuk limited	Cayman Islands	2015	100%	100%
BB Islamic Derivatives	Cayman Islands	2018	100%	100%
Dukhan Tier-1 Sukuk Limited	Cayman Islands	2021	100%	100%

The business description and principal activities of each of the above listed subsidiaries is consistent with the explanation as provided in the 31 December 2022 year-end audited financial statements.

The interim condensed consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors passed on 29 October 2023.

2. BASIS OF PREPARATION**(a) Statement of compliance**

The interim condensed consolidated financial statements have been prepared using accounting policies which are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards effective from 1 January 2023 as stated in note 3. These interim condensed consolidated financial statements have been prepared in accordance with the Financial Accounting Standards ("FAS") 41, Interim Financial Reporting as issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI") as modified by Qatar Central Bank. In line with the requirements of AAOIFI, for matters that are not covered by FAS, the Group uses guidance from the relevant International Financial Reporting Standard ("IFRS").

QCB Circular 13/2020 dated 29 April 2020 modifies the requirements of FAS 33 "Investments in Sukuk, shares and similar instruments" and FAS 30 "Impairment, credit losses and onerous commitments" and requires Islamic Banks to follow principles of IFRS 9 "Financial Instruments" in respect of equity-type investments carried at Fair Value Through Equity. The Bank has adopted the circular from the effective date and the changes to the accounting policies have been adopted prospectively by the Bank.

These interim condensed consolidated financial statements do not contain all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2022. The results for the period ended 30 September 2023 are not necessarily indicative of the results that may be expected for the year ending 31 December 2023.

(b) Basis of measurement

These interim condensed consolidated financial statements have been prepared on the historical cost basis except for investments carried at fair value through equity, investments carried at fair value through the statement of income, derivatives held for risk management purposes and Shari'a compliant risk management instruments, which are measured at fair value.

(c) Functional and presentation currency

These interim condensed consolidated financial statements are presented in Qatari Riyals ("QAR"), which is the Group's functional currency. Except as otherwise indicated, financial information presented in QAR has been rounded to the nearest thousands. The functional currencies for the Group entities have also been assessed as Qatari Riyals.

(d) Use of estimates and judgments

The preparation of these interim condensed 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.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the consolidated financial statements as at and for the year ended 31 December 2022, except for the changes as described below:

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

New standards, amendments and interpretations effective from 1 January 2023

FAS 39 - Financial Reporting for Zakah

AAOIFI has issued FAS 39 in 2021. This standard improves upon and supersedes FAS 9 on "Zakah" and aims at setting out the accounting treatment of Zakah in the books of the institutions, including the presentation and disclosure by an Islamic financial institution. The accounting and financial reporting requirements such as recognition, presentation and disclosure requirements of this standard shall apply to institutions that are obliged to pay Zakah on behalf of certain or all stakeholders. Institutions that are not obliged to pay Zakah shall apply the disclosure requirements of this standard for certain or all stakeholders, as relevant.

FAS 41 - Interim Financial report

This standard prescribes the principles for the preparation of condensed interim financial information and the relevant presentation and disclosure requirements, emphasizing the minimum disclosures specific to Islamic financial institutions in line with various financial accounting standards issued by AAOIFI. This standard is also applicable to the institutions which prepare a complete set of financial statements at interim reporting dates in line with the respective FAS's.

This standard is effective for financial statements for the period beginning on or after 1 January 2023. The Group adopted this standard for the basis of preparation of its consolidated condensed interim financial information. The adoption of this standard did not have any significant impact on the Group's interim financial information.

New standards, amendments and interpretations issued but not yet effective

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. This standard shall be effective for the financial periods beginning on or after 1 January 2024 with early adoption permitted. The Group is currently evaluating the impact of the above standards.

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". This standard shall be effective for the financial periods beginning on or after 1 January 2024 with early adoption permitted. The Group is currently evaluating the impact of the above standards.

4 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2022.

4 FINANCIAL RISK MANAGEMENT (CONTINUED)
(a) Expected credit loss / Impairment allowances

	Stage 1 QAR '000	Stage 2 QAR '000	Non - performing QAR '000	Total QAR '000
Exposure (carrying value) subject to ECL as at 30 September 2023 (Reviewed)				
- Financing assets	64,277,643	11,025,180	3,981,039	79,283,862
- Due from banks	11,344,235	-	-	11,344,235
- Debt type investments carried at amortised cost	2,630,389	-	-	2,630,389
- Off balance sheet exposures subject to credit risk	14,964,028	3,752,522	165,058	18,881,608
	93,216,295	14,777,702	4,146,097	112,140,094
Opening Balance – as at 1 January 2023 (Audited)				
- Financing assets	80,132	548,284	2,763,117	3,391,533
- Due from banks	52	-	-	52
- Debt type investments carried at amortised cost	7,657	-	-	7,657
- Off balance sheet exposures subject to credit risk	32,588	95,247	165,349	293,184
	120,429	643,531	2,928,466	3,692,426
Net transfer between stages				
- Financing assets	36,482	(38,344)	1,862	-
- Due from banks	-	-	-	-
- Debt type investments carried at amortised cost	-	-	-	-
- Off balance sheet exposures subject to credit risk	9,026	(9,026)	-	-
	45,508	(47,370)	1,862	-
Charge for the period				
- Financing assets	(15,061)	107,374	103,115	195,428
- Financing assets - recovery	-	-	(145,443)	(145,443)
- Due from banks (net)	(33)	-	-	(33)
- Debt type investments carried at amortised cost (net)	(977)	-	-	(977)
- Off balance sheet exposures subject to credit risk (net)	(4,034)	32,124	(300)	27,790
	(20,105)	139,498	(42,628)	76,765
- Financing assets – write-off	-	-	(10,466)	(10,466)
- Financing assets – profit in suspense net movement	-	-	32,562	32,562
	(20,105)	139,498	(20,532)	98,861
Closing Balance – as at 30 September 2023 (Reviewed)				
- Financing assets	101,553	617,314	2,744,747	3,463,614
- Due from banks	19	-	-	19
- Debt type investments carried at amortised cost	6,680	-	-	6,680
- Off balance sheet exposures subject to credit risk	37,580	118,345	165,049	320,974
	145,832	735,659	2,909,796	3,791,287

4 FINANCIAL RISK MANAGEMENT (CONTINUED)
(a) Expected credit loss / Impairment allowances (continued)

	Stage 1 QAR '000	Stage 2 QAR '000	Non - performing QAR '000	Total QAR '000
Exposure (carrying value) subject to ECL as at 30 September 2022 (Reviewed)				
- Financing assets	62,358,995	12,044,385	3,764,491	78,167,871
- Due from banks	3,034,776	-	-	3,034,776
- Debt type investments carried at amortised cost	1,582,194	-	-	1,582,194
- Off balance sheet exposures subject to credit risk	14,171,793	6,187,631	165,349	20,524,773
	81,147,758	18,232,016	3,929,840	103,309,614
Opening Balance – as at 1 January 2022 (Audited)				
- Financing assets	60,715	584,884	2,114,814	2,760,413
- Due from banks	41	-	-	41
- Debt type investments carried at amortised cost	3,432	10,431	-	13,863
- Off balance sheet exposures subject to credit risk	35,429	94,773	168,715	298,917
	99,617	690,088	2,283,529	3,073,234
Net transfer between stages				
- Financing assets	(2,934)	(55,644)	58,578	-
- Due from banks	-	-	-	-
- Debt type investments carried at amortised cost	-	-	-	-
- Off balance sheet exposures subject to credit risk	(4,558)	4,558	-	-
	(7,492)	(51,086)	58,578	-
Charge for the period (net)				
- Financing assets	20,952	63,842	364,677	449,471
- Financing assets - recovery	-	-	(60,142)	(60,142)
- Due from banks	567	-	-	567
- Debt type investments carried at amortised cost	3,026	(10,431)	-	(7,405)
- Off balance sheet exposures subject to credit risk	(1,043)	1,323	(3,366)	(3,086)
	23,502	54,734	301,169	379,405
- Financing assets – write-off	-	-	(54,844)	(54,844)
- Financing assets – profit in suspense net movement	-	-	16,858	16,858
	23,502	54,734	263,183	341,419
Closing Balance – as at 30 September 2022 (Reviewed)				
- Financing assets	78,733	593,082	2,439,941	3,111,756
- Due from banks	608	-	-	608
- Debt type investments carried at amortised cost	6,458	-	-	6,458
- Off balance sheet exposures subject to credit risk	29,828	100,654	165,349	295,831
	115,627	693,736	2,605,290	3,414,653

4 FINANCIAL RISK MANAGEMENT (CONTINUED)**(b) Credit quality assessments**

Pursuant to the adoption of the ECL regulations, the Group has mapped its internal credit rating scale to Moody's rating scale, the table below provides an analysis of counterparties by rating grades and credit quality of the Group's credit risk, based on Moody's ratings (or their equivalent) as at 30 September 2023:

30 September 2023

Rating grade	Financing assets QAR '000	Due from Banks QAR '000	Debt type investments carried at amortised cost QAR '000	Off balance sheet exposures subject to credit risk QAR '000
Aaa to Aa3	25,592,716	969,456	710,093	210,005
A1 to A3	9,216,005	10,165,599	1,039,727	4,726,624
Baa1 to Baa3	24,113,388	208,906	166,252	9,270,934
Ba1 to B3	9,818,615	274	714,317	4,508,987
Below B3	3,981,039	-	-	165,058
Unrated	6,562,099	-	-	-
Total (Reviewed)	79,283,862	11,344,235	2,630,389	18,881,608

31 December 2022

Rating grade	Financing assets QAR '000	Due from Banks QAR '000	Debt type investments carried at amortised cost QAR '000	Off balance sheet exposures subject to credit risk QAR '000
Aaa to Aa3	25,316,525	175,852	363,922	428,503
A1 to A3	8,166,190	1,023,715	992,499	4,802,599
Baa1 to Baa3	24,579,845	299,792	138,770	9,993,377
Ba1 to B3	10,756,214	627	657,333	4,127,076
Below B3	4,070,662	-	-	165,349
Unrated	6,178,611	-	-	-
Total (Audited)	79,068,047	1,499,986	2,152,524	19,516,904

5. 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 Management Committee reviews internal management reports on at least a monthly basis. The following summary describes the operations in each of the Group's reportable segments.

5. OPERATING SEGMENTS (CONTINUED)

Wholesale Banking	Includes financing, deposits and other transactions and balances with wholesale customers
Retail and Private Banking	Includes financing, deposits and other transactions and balances with retail and private customers including part asset management activities for private customers.
Treasury and Investments division	Undertakes the Group's funding and centralised risk management activities through borrowings, use of risk management instruments for risk management purposes and investing in liquid assets such as short-term placements and corporate and government debt securities. Further it also manages Group's trading of investments and corporate finance activities.
Investment Banking and Asset Management	Operates the Group's funds management activities. Mainly includes financial advisory services, including deal sourcing, structuring, valuations and advisory services, equity structuring, restructuring and placement; debt structuring, restructuring and placement including project finance, securitisation and sukuk; client portfolios management, structuring of liquidity products; structuring and marketing and management of open and closed ended funds; structuring, acquisition, placement and initial public offering of private equities; and private equity, equity structuring, private placements and initial public offerings.

5. OPERATING SEGMENTS (CONTINUED)

Information regarding the results, assets and liabilities of each reportable segment is included below. Performance is measured based on segment profit, as included in the internal management reports that are reviewed by the Group Management Committee. 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 about operating segments

30 September 2023 (Reviewed)

	<i>Wholesale banking QAR '000</i>	<i>Retail and Private banking QAR '000</i>	<i>Treasury and Investments division QAR '000</i>	<i>Investment banking and Asset management QAR '000</i>	<i>Unallocated QAR '000</i>	<i>Total QAR '000</i>
Total income from financing and investing activities	1,768,032	1,555,696	627,578	3,885	-	3,955,191
Net fee and commission income	174,408	25,728	19,449	5,352	-	224,937
Reportable segment net profit	338,604	240,862	522,602	5,287	-	1,107,355
Reportable segment assets	38,571,099	39,033,381	33,750,402	419,747	854,864	112,629,493

30 September 2022 (Reviewed)

	<i>Wholesale banking QAR '000</i>	<i>Retail and Private banking QAR '000</i>	<i>Treasury and Investments division QAR '000</i>	<i>Investment banking and Asset management QAR '000</i>	<i>Unallocated QAR '000</i>	<i>Total QAR '000</i>
Total income from financing and investing activities	1,079,262	1,166,051	550,703	3,421	-	2,799,437
Net fee and commission income	103,637	42,177	5,651	7,126	-	158,591
Reportable segment net profit	300,643	75,684	695,105	9,334	-	1,080,766
Reportable segment assets	38,240,816	38,859,375	26,128,141	423,320	933,332	104,584,984

6. FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS

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

30 September 2023 (Reviewed)

	<i>Fair value through income statement QAR'000</i>	<i>Fair value through equity QAR'000</i>	<i>Amortised cost QAR'000</i>	<i>Total carrying amount QAR'000</i>	<i>Fair value QAR'000</i>
Cash and balances with Qatar Central Bank	-	-	3,757,166	3,757,166	3,757,166
Due from banks	-	-	11,344,216	11,344,216	11,344,216
Financing assets	-	-	75,820,248	75,820,248	75,820,248
Investment securities:					
- Carried at fair value	72,248	1,139,919	-	1,212,167	1,212,167
- Carried at amortised cost	-	-	18,169,004	18,169,004	18,108,578
Risk management instruments	75,555	-	-	75,555	75,555
	147,803	1,139,919	109,090,634	110,378,356	110,317,930
Due to banks	-	-	18,891,882	18,891,882	18,891,882
Customer current accounts	-	-	16,412,996	16,412,996	16,412,996
Risk management instruments	27,455	-	-	27,455	27,455
	27,455	-	35,304,878	35,332,333	35,332,333
Equity of unrestricted investment account holders	-	-	60,583,027	60,583,027	60,583,027
	27,455	-	95,887,905	95,915,360	95,915,360

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

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

31 December 2022 (Audited)

	<i>Fair value through income statement QAR'000</i>	<i>Fair value through equity QAR'000</i>	<i>Amortised cost QAR'000</i>	<i>Total carrying amount QAR'000</i>	<i>Fair value QAR'000</i>
Cash and balances with Qatar Central Bank	-	-	6,425,410	6,425,410	6,425,410
Due from banks	-	-	1,499,934	1,499,934	1,499,934
Financing assets	-	-	75,676,514	75,676,514	75,676,514
Investment securities:					
- Carried at fair value	77,866	1,190,195	-	1,268,061	1,268,061
- Carried at amortised cost	-	-	19,163,499	19,163,499	19,109,670
Risk management instruments	50,609	-	-	50,609	50,609
	128,475	1,190,195	102,765,357	104,084,027	104,030,198
Due to banks	-	-	14,871,443	14,871,443	14,871,443
Customer current accounts	-	-	8,251,685	8,251,685	8,251,685
Risk management instruments	102,000	-	-	102,000	102,000
	102,000	-	23,123,128	23,225,128	23,225,128
Equity of unrestricted investment account holders	-	-	66,293,521	66,293,521	66,293,521
	102,000	-	89,416,649	89,518,649	89,518,649

Note: Certain fair value and classification of financial instruments for the nine month period ended 30 September 2022 were reclassified in the interim condensed consolidated financial statements for the the nine month period ended 30 September 2023 to confirm to the presentation and classification adopted in the current period.

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

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level 1	Level 2	Level 3	Total
30 September 2023 (Reviewed)	QAR '000	QAR '000	QAR '000	QAR '000
Risk management instruments (assets)	-	-	75,555	75,555
Investment securities carried at fair value	948,952	-	263,215	1,212,167
	948,952	-	338,770	1,287,722
Risk management instruments (liabilities)	-	-	27,455	27,455
	-	-	27,455	27,455
31 December 2022 (Audited)				
Risk management instruments (assets)	-	-	50,609	50,609
Investment securities carried at fair value	1,014,416	-	253,645	1,268,061
	1,014,416	-	304,254	1,318,670
Risk management instruments (liabilities)	-	-	102,000	102,000
	-	-	102,000	102,000

The Group's accounting policies provide scope for assets and liabilities to be designated at inception into different accounting categories in certain circumstances:

- in classifying financial assets or liabilities as trading, the Group has determined that it meets the description of trading assets and liabilities set out in accounting policies.
- in designating financial assets or liabilities at fair value through statement of income, the Group has determined that it has met one of the criteria for this designation set out in accounting policies.

For the purpose of disclosure of fair value of financial assets and liabilities which are carried at amortised cost, the level 2 valuation method has been used except for the impaired financing assets for which level 3 valuation method has been used and quoted investment securities for which level 1 valuation method has been used. During the period ended 30 September 2023 and year ended 31 December 2022, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements. The valuation technique in measuring the fair value financial instruments categorized as level 3 were in line with 31 December 2022.

7. CASH AND BALANCES WITH QATAR CENTRAL BANK

	30 September 2023 (Reviewed) QAR '000	31 December 2022 (Audited) QAR '000
Cash	417,609	372,504
Cash reserve with Qatar Central Bank*	3,273,738	3,298,355
Other balances with Qatar Central Bank	65,819	2,754,551
	3,757,166	6,425,410

*The cash reserve with Qatar Central Bank is not available for use in the Bank's day to day operations.

8. DUE FROM BANKS

	30 September 2023 (Reviewed) QAR '000	31 December 2022 (Audited) QAR '000
Current accounts	1,093,622	984,389
Wakala placements with banks	10,078,959	290,868
Mudaraba placements	70,147	135,661
Commodity Murabaha receivable	92,693	88,485
Accrued profit	8,814	583
Allowance for impairment*	(19)	(52)
	11,344,216	1,499,934

*For stage wise exposure and allowance for impairment refer note 4(a).

9. FINANCING ASSETS

	30 September 2023 (Reviewed) QAR '000	31 December 2022 (Audited) QAR '000
Murabaha	71,003,221	70,037,405
Ijarah Muntahia Bittamleek	4,572,535	5,010,692
Musawama	1,192,307	1,117,186
Acceptances	470,263	724,526
Istisna	602,057	639,414
Cards	193,629	182,488
Others	1,711,531	1,809,928
Accrued profit	679,667	598,976
Total financing assets	80,425,210	80,120,615
Less: Deferred profit	1,141,348	1,052,568
Allowance for impairment on financing assets	3,216,395	3,176,876
Suspended profit on non-performing financing assets	247,219	214,657
Allowance for impairment*	3,463,614	3,391,533
Net financing assets	75,820,248	75,676,514

*For stage wise exposure, allowance for impairment and profit in suspense refer note 4(a). The total non-performing financing assets at 30 September 2023 amounted to QAR 3,981.0 million, representing 5.0% of the gross financing assets (31 December 2022: QAR 4,070.7 million, representing 5.1%).

Others include QAR 1,711.5 million (31 December 2022: QAR 1,809.9 million) of net loans acquired on business combination, which are in process of conversion to sharia compliant equivalent products or kept on a run-off basis. These are carried at amortised cost and its corresponding income is recognised on a time-apportioned basis over the period of the loan term using effective profit rate till conversion is completed or settled, whichever is earlier.

10. INVESTMENT SECURITIES

	30 September 2023 (Reviewed)			31 December 2022 (Audited)		
	Quoted QAR'000	Unquoted QAR'000	Total QAR'000	Quoted QAR'000	Unquoted QAR'000	Total QAR'000
<i>Investments classified as fair value through statement of income</i>						
- Investments classified as held for trading:						
- Equity-type investments	63,217	-	63,217	60,125	-	60,125
- Debt-type investments	9,031	-	9,031	17,741	-	17,741
	72,248	-	72,248	77,866	-	77,866
<i>Debt-type investments classified at amortised cost</i>						
- Fixed rate *	2,630,389	15,406,395	18,036,784	2,667,517	16,338,167	19,005,684
- Allowance for impairment**	(6,680)	-	(6,680)	(7,657)	-	(7,657)
	2,623,709	15,406,395	18,030,104	2,659,860	16,338,167	18,998,027
<i>Equity-type investments classified as fair value through equity</i>						
	876,704	263,215	1,139,919	936,550	253,645	1,190,195
	3,572,661	15,669,610	19,242,271	3,674,276	16,591,812	20,266,088
Accrued profit income			138,900			165,472
			19,381,171			20,431,560

*Investments in unquoted debt-type instruments classified at amortised cost at fixed rate represent investments in the Sovereign securities. It includes acquired Sovereign bonds portfolio of QAR 1,866.3 million (31 December 2022: QAR 3,043.2 million) on business combination, which are being held till maturity without conversion to equivalent Sharia compliant Sovereign instrument as approved by the Sharia Board of the Bank.

** For stage wise exposure and allowance for impairment refer note 4(a).

The carrying amount of the debt-type instruments pledged under repurchase agreements amounted to QAR 2,200.0 million as at 30 September 2023 (31 December 2022: QAR 434.8 million).

10. INVESTMENT SECURITIES (CONTINUED)

The cumulative change in the fair value reserve of investments is as follows:

	30 September 2023 (Reviewed) QAR'000	31 December 2022 (Audited) QAR'000
Balance at 1 January	(131,351)	(27,098)
Net change in fair value	7,532	(104,253)
Transferred to retained earnings on disposal of equity-type instruments classified as fair value through equity	5,725	-
	13,257	(104,253)
Share of associate's fair value changes	-	-
Balance at period/ year end	(118,094)	(131,351)

11. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

	30 September 2023 (Reviewed) QAR'000	31 December 2022 (Audited) QAR'000
Balance at 1 January	64,111	62,557
Share of results	(6,362)	1,847
Share of associates currency translation reserve	1	(2)
Impairment	-	(291)
Derecognition of the investment	(20,400)	-
Balance at period/ year end	37,350	64,111

12. DUE TO BANKS

	30 September 2023 (Reviewed) QAR'000	31 December 2022 (Audited) QAR'000
Commodity Murabaha payable*	796,301	729,552
Wakala payable	15,869,735	14,131,930
Due to Qatar Central Bank**	2,200,000	-
Profit payable	25,846	9,961
	18,891,882	14,871,443

*This includes amounts held under repurchase agreements amounting to nil (31 December 2022: QAR 434.8 million).

**This includes amounts held under repurchase agreements amounting to QAR 2,200.0 million (31 December 2022: nil).

13. EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS

	30 September 2023 (Reviewed) QAR'000	31 December 2022 (Audited) QAR'000
Unrestricted investment account holders balance before share of profit (a)	59,886,256	65,452,374
Distributable profits to unrestricted investment account holders for the period (b)*	1,955,655	1,558,578
Profit payable including from prior year net of distributed profit amount during the period	(1,259,416)	(717,963)
Net profit payable to unrestricted investment account holders	696,239	840,615
Share in fair value reserve	532	532
Total unrestricted investment account holders balance	60,583,027	66,293,521
<i>(a) Unrestricted investment account holders balance before share of profit, by type:</i>		
Saving accounts	5,175,799	6,703,246
Call accounts	4,467,415	1,501,664
Term accounts	50,243,042	57,247,464
Total	59,886,256	65,452,374
<i>For the nine month period ended</i>		
	30 September 2023 (Reviewed) QAR'000	30 September 2022 (Reviewed) QAR'000
<i>(b) Return to unrestricted investment account holders for the period:</i>		
Saving accounts	72,821	65,077
Call accounts	23,116	2,836
Term accounts - 1 month	315,196	126,830
Term accounts - 3 month	378,517	218,471
Term accounts - 6 month	435,250	89,156
Term accounts - 9 month	1,557	47
Term accounts - 12 month	717,594	535,401
Term accounts - 2 year	8,420	5,248
Term accounts - 4 year	3,184	2,806
Total*	1,955,655	1,045,872

*It represents net return to unrestricted investment account holders however the Group's share as Mudarib and Owners' contribution will be determined at year end, which is not expected to change the distributable profit amount.

14. SHAREHOLDERS' EQUITY

(a) Share capital

	Ordinary shares	
	30 September 2023 (Reviewed)	31 December 2022 (Audited)
<i>In thousands of shares</i>		
Issued	5,234,100	5,234,100

The authorised share capital of the Bank is 5,234,100 thousand (31 December 2022: 523,410 thousand) ordinary shares, having a par value of QAR 1 each share (31 December 2022: 10 each share). Out of this authorised capital 5,234,100 thousand ordinary shares (31 December 2022: 523,410 thousand) are issued and fully paid.

Post conversion to a public shareholding company as per the requirements of Qatar Commercial Companies Law, each one share with the par value of QAR 10 was split into 10 shares with the par value of QAR 1.

(b) Legal reserve

In accordance with QCB Law No.13 of 2012 and the Memorandum and Articles of Association of the Bank, 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 and after QCB approval. The legal reserve includes the share premium received on issuance of new shares in accordance with Qatar Commercial Companies Law. As at 31 December 2022, legal reserve balance was QAR 4,575.1 million. No further transfer has been made for the nine month period ended 30 September 2023 as the Bank transfers required amount for the current year at year-end.

(c) Risk reserve

In accordance with Qatar Central Bank regulations, a risk reserve should be created to cover contingencies on both the public and private sector financing assets, with a minimum requirement of 2.5% of the total private sector exposure granted by the Group inside and outside Qatar after the exclusion of the specific provisions and profit in suspense. The finance provided to/or secured by the Ministry of Finance – State of Qatar and finance against cash guarantees are excluded from the gross direct finance. As at 31 December 2022, risk reserve balance was QAR 1,430.4 million which complies with the minimum requirement as stipulated by the Qatar Central Bank regulations. No further transfer has been made for the nine month period ended 30 September 2023 as the Bank transfers required amount for the current year at year-end.

(d) Other reserves

In accordance with Qatar Central Bank regulations, income recognised from the share of profit from associates is not available for distribution, except to the extent of dividend received from the associates and joint ventures, and should be transferred to a separate reserve account in shareholders' equity. Further the Group can set aside any amount on recommendation of Board of Directors as a contingency reserve from retained earnings to protect the Group from any future losses that may arise from any unforeseen events. As at 31 December 2022, other reserve total balance was QAR 75.2 million. No further transfer has been made for the nine month period ended 30 September 2023 as the Bank transfers required amount for the current year at year-end.

(e) Treasury shares

Treasury shares represent ordinary shares of Dukhan Bank with nominal value of QAR 1 each. Treasury shares are presented as a deduction from shareholders' equity.

(f) Dividend

The Board of Directors in their meeting held on 14 March 2023 proposed a cash dividend of 16.0% of the paid up share capital amounting to QAR 831.3 million – QAR 0.16 per share (31 December 2021: 14.0% of the paid up share capital amounting to QAR 727.4 million – QAR 0.14 per share) post considering nominal share value of QAR 1 per share, after conversion of the Bank to a Public Shareholding Company, was approved for distribution at the Annual General Meeting of the shareholders of the Group held on 12 April 2023.

15. CONTINGENT LIABILITIES AND COMMITMENTS

	30 September 2023 (Reviewed) QAR'000	31 December 2022 (Audited) QAR'000
a) Contingent liabilities		
Unused credit facilities	15,522,532	15,057,152
Guarantees	17,773,056	18,424,217
Letters of credit	<u>1,108,552</u>	<u>1,092,687</u>
	<u>34,404,140</u>	<u>34,574,056</u>
b) Commitments		
Swaps	758,602	2,611,349
Options	746,713	789,629
Other risk management instruments – WAAD	<u>10,429,675</u>	<u>13,455,382</u>
	<u>11,934,990</u>	<u>16,856,360</u>

Unused credit facilities

Commitments to extend credit represent contractual commitments to make financings and revolving credits. 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 the event of a specific event. Guarantees and standby letters of credit carry the same credit risk as financings.

Lease commitments

The Group leases a number of branches and office premises under operating leases. Non-cancellable operating lease rentals are payable as follows:

	30 September 2023 (Reviewed) QAR'000	31 December 2022 (Audited) QAR'000
Within one year	<u>8,289</u>	<u>5,822</u>
After one year but not more than five years	<u>593</u>	<u>1,332</u>

16. INTANGIBLE ASSETS

	30 September 2023 (Reviewed) QAR'000	31 December 2022 (Audited) QAR'000
Goodwill and Intangibles		
Goodwill	443,060	443,060
Customer relationship	330,469	374,530
Core deposits	<u>81,335</u>	<u>96,124</u>
	<u>854,864</u>	<u>913,714</u>

Impairment testing for cash-generating unit containing goodwill

For the purpose of impairment testing, goodwill is allocated to the cash generating units ("CGU"), being the Group's subsidiaries, which represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. The impairment testing of the CGU will be carried out at the year-end. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized.

17. BASIC AND DILUTED EARNINGS PER SHARE

Earnings per share (EPS) are calculated by dividing the net profit for the period attributable to the equity holders of the Bank by the weighted average number of ordinary shares in issue during the period.

	<i>For the three month period ended</i>		<i>For the nine month period ended</i>	
	<i>30 September 2023 (Reviewed) QAR'000</i>	<i>30 September 2022 (Reviewed) QAR'000</i>	<i>30 September 2023 (Reviewed) QAR'000</i>	<i>30 September 2022 (Reviewed) QAR'000</i>
Net profit for the period attributable to the owners of the Group	346,798	335,357	1,107,355	1,080,766
Less: Profit attributable to sukuk eligible as additional capital	(17,980)	(17,980)	(53,940)	(53,940)
Net profit for earnings per share (EPS) computation	328,818	317,377	1,053,415	1,026,826
Weighted average number of outstanding shares	5,195,750	5,195,750	5,195,750	5,195,750
Basic and diluted earnings per share (EPS)(QAR)	0.063	0.061	0.203	0.198
Weighted average number of shares issued	5,234,100	5,234,100	5,234,100	5,234,100
Less: Treasury shares	(38,350)	(38,350)	(38,350)	(38,350)
Weighted average number of shares at 30 September	5,195,750	5,195,750	5,195,750	5,195,750

Earnings Per Share (EPS) for 2022 has been re-stated to reflect the increase in number of shares due to share split for the purpose of listing in Qatar Stock Exchange.

(i) There were no potentially dilutive shares outstanding at any time during the period. Therefore, the diluted earnings per share are equal to the basic earnings per share.

18. 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 significant owners and entities over which the Group and the owners exercise significant influence, directors and executive management of the Group.

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

	<i>30 September 2023 (Reviewed)</i>		
	<i>Subsidiaries QAR'000</i>	<i>Board of directors QAR'000</i>	<i>Others QAR'000</i>
Assets:			
Customer financing	2,449	7,438,078	-
Liabilities:			
Customer deposits	728,058	756,289	4,522,093
Off balance sheet items:			
Unfunded credit facilities	6,816	439,296	-

18. RELATED PARTIES (CONTINUED)

	<i>31 December 2022 (Audited)</i>		
	<i>Subsidiaries</i>	<i>Board of</i>	<i>Others</i>
	<i>QAR'000</i>	<i>directors</i>	<i>QAR'000</i>
		<i>QAR'000</i>	<i>QAR'000</i>
Assets:			
Customer financing	<u>1,898</u>	<u>7,645,186</u>	<u>-</u>
Liabilities:			
Customer deposits	<u>674,342</u>	<u>893,236</u>	<u>4,197,609</u>
Off balance sheet items:			
Unfunded credit facilities	<u>6,197</u>	<u>464,894</u>	<u>-</u>

Transactions with key management personnel

Key management personnel and their immediate relatives have transacted with the Group as follows:

	30 September 2023 (Reviewed) QAR'000	31 December 2022 (Audited) QAR'000
Financing to key management personnel	<u>15,767</u>	<u>10,827</u>
	<i>For the nine month period ended</i>	
	30 September 2023 (Reviewed) QAR'000	30 September 2022 (Reviewed) QAR'000
<i>Compensation of key management personnel</i>		
Short-term employee benefits	53,019	48,493
Post-employment benefits	4,610	4,016
	<u>57,629</u>	<u>52,509</u>

19. CASH AND CASH EQUIVALENTS

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

	30 September 2023 (Reviewed) QAR'000	31 December 2022 (Audited) QAR'000
Cash and balances with Qatar Central Bank (excluding reserve account with Qatar Central Bank)	483,428	3,127,055
Due from banks	<u>8,561,044</u>	<u>1,411,500</u>
	<u>9,044,472</u>	<u>4,538,555</u>

20. COMPARATIVE FIGURES

Certain figures have been reclassified where necessary to preserve consistency with the presentation in the current period. However, such reclassification did not have any effect on the consolidated net profit or the consolidated shareholders' equity for the comparative period/ year.

21. SUKUK ELIGIBLE AS ADDITIONAL CAPITAL

In July 2021, the Group issued a perpetual, unsecured, subordinated sukuk eligible as Additional Tier 1 Capital amounting to USD 500 million listed on the London Stock Exchange. The sukuk is unsecured and the profit distributions are non-cumulative, payable semi-annually at an agreed expected profit rate of 3.950% per annum and are made at the discretion of Dukhan Bank. The Group has the right not to pay profit and the sukuk holders have no right to claim profit on the sukuk. The applicable profit rate has a reset date as per the terms of the agreement of the issued sukuks. The sukuk does not have a maturity date and have been classified as equity.

22. CAPITAL ADEQUACY RATIO

As per Qatar Central Bank regulations, the Group has calculated the capital ratios in accordance with Basel III guidelines. The Group's minimum QCB regulatory limit, including the Capital Conservation Buffer, ICAAP pillar II capital charge and the applicable Domestically Systemically Important Bank ("DSIB") Buffer is 14.4% for 2023.

The Group complied with the externally imposed capital requirements to which they are subject to. The table below summarises the composition of prevailing regulatory capital and the ratios of the Group:

	30 September 2023 (Reviewed) QAR'000	31 December 2022 (Audited) QAR'000
Common Equity Tier 1 (CET) Capital	10,865,359	10,770,179
Additional Tier 1 Capital	1,820,750	1,820,750
Additional Tier 2 Capital	870,944	763,960
Total Eligible Capital	13,557,053	13,354,889
Risk Weighted Assets	76,804,527	73,065,442
Common Equity Tier 1 (CET 1) Capital Adequacy Ratio	14.2%	14.7%
Tier 1 Capital Adequacy Ratio	16.5%	17.2%
Total Capital Adequacy Ratio	17.7%	18.3%

23. ASSETS UNDER MANAGEMENT

Assets under management represent the funds belonging to the Group's customers, for which the Group has assumed investment management responsibilities in accordance with the terms and conditions of the investment agreement entered into with the customers. Such funds are invested on behalf of the customers by the Group, acting as an agent or a trustee, and accordingly such funds and the attributable investment gains or losses are not included in these interim condensed consolidated financial statements and are directly paid to the customers after deduction of the Group's stated share of profit or fee. As at 30 September 2023, such assets totaled QAR 4.1 billion (31 December 2022: QAR 3.8 billion). However, of such assets, only QAR 3,326.9 million (31 December 2022: QAR 2,954.4 million) was held in a fiduciary capacity.