



DUKHAN BANK Q.P.S.C.
(FORMERLY BARWA BANK Q.P.S.C.)

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

**FOR THE NINE MONTH PERIOD ENDED
30 SEPTEMBER 2021
(REVIEWED)**

DUKHAN BANK Q.P.S.C. (FORMERLY BARWA BANK Q.P.S.C.)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the nine month period ended 30 September 2021

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 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”) comprising the interim consolidated statement of financial position as at 30 September 2021, the related interim consolidated statement of income for the three month and nine month periods then ended, and the related interim consolidated statements of changes in owner’s equity, cash flows and changes in restricted investment accounts for the nine month period then ended, and related explanatory notes.


Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the Financial Accounting Standards (FAS) 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 Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) as modified by Qatar Central Bank (“QCB”).


Ziad Nader
of Ernst & Young
Auditor's Registration No. 258
Date: 24 November 2021
Doha



DUKHAN BANK Q.P.S.C. (FORMERLY BARWA BANK Q.P.S.C.)
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2021

		30 September 2021 (Reviewed) QAR '000	31 December 2020 (Audited) QAR '000
ASSETS			
Cash and balances with Qatar Central Bank	7	3,958,819	3,367,553
Due from banks	8	1,287,669	5,891,788
Financing assets	9	78,486,457	58,536,992
Investment securities	10	17,775,598	16,661,163
Investment in associates and joint ventures	11	77,841	83,535
Investment property		3,322	3,497
Fixed assets		429,122	372,126
Intangible assets	16	1,011,799	1,070,650
Other assets		442,011	309,317
TOTAL ASSETS		103,472,638	86,296,621
LIABILITIES			
Due to banks	12	14,258,065	18,947,753
Customers current accounts		6,944,420	7,335,487
Other liabilities		2,635,790	1,963,291
TOTAL LIABILITIES		23,838,275	28,246,531
EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS			
	13	65,908,145	46,546,052
OWNERS' EQUITY			
Share capital	14(a)	5,234,100	5,234,100
Legal reserve	14(b)	4,330,473	4,330,473
Treasury shares	14(e)	(38,350)	(38,350)
Risk reserve	14(c)	1,235,629	1,235,629
Fair value reserve	10	6,122	(24,621)
Other reserves	14(d)	73,333	73,333
Retained earnings		1,064,070	693,383
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK		11,905,377	11,503,947
Non-controlling interests		91	91
Sukuk eligible as additional capital	21	1,820,750	-
TOTAL OWNERS' EQUITY		13,726,218	11,504,038
TOTAL LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY		103,472,638	86,296,621



These interim condensed consolidated financial statements were approved by the Board of Directors on 23 November 2021 and were signed on its behalf by:

Mohamed Bin Hamad Bin Jassim Al Thani
Chairman

Khalid Yousef Al-Subeai
Group Chief Executive Officer

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

DUKHAN BANK Q.P.S.C. (FORMERLY BARWA BANK Q.P.S.C.)
INTERIM CONSOLIDATED STATEMENT OF INCOME
For the three month and nine month period ended 30 September 2021

	Notes	For the three month period ended 30 September		For the nine month period ended 30 September	
		2021 (Reviewed) QAR'000	2020 (Reviewed) QAR'000	2021 (Reviewed) QAR'000	2020 (Reviewed) QAR'000
Net income from financing activities		762,092	796,704	2,144,810	2,057,904
Net income from investing activities		162,131	173,270	511,114	515,250
Total net income from financing and investing activities		924,223	969,974	2,655,924	2,573,154
Fee and commission income		60,446	55,017	173,952	178,535
Fee and commission expense		(20,874)	(13,562)	(59,583)	(50,833)
Net fee and commission income		39,572	41,455	114,369	127,702
Net foreign exchange gain		45,730	36,411	120,845	108,781
Share of results of associates and joint ventures	11	(2,447)	(13,330)	(6,752)	(15,359)
Other income		7,232	3,404	58,818	10,839
Total income		1,014,310	1,037,914	2,943,204	2,805,117
Staff costs		(116,928)	(109,418)	(310,661)	(315,952)
Depreciation and amortisation		(33,492)	(27,354)	(100,644)	(83,060)
Other expenses		(58,113)	(62,877)	(157,063)	(167,102)
Finance cost		(15,727)	(32,695)	(68,096)	(164,284)
Total expenses		(224,260)	(232,344)	(636,464)	(730,398)
Net impairment loss on financing assets	4(c)	(176,536)	(317,841)	(602,607)	(600,180)
Net impairment reversal / (loss) on due from banks	4(c)	53	(102)	75	(44)
Net impairment reversal / (loss) on investment securities	4(c)	-	(7,616)	58	(6,671)
Net impairment reversal / (loss) on off balance sheet exposures	4(c)	4,009	(7,568)	7,711	16,242
		(172,474)	(333,127)	(594,763)	(590,653)
Profit for the period before return to unrestricted investment account holders		617,576	472,443	1,711,977	1,484,066
Return to unrestricted investment account holders	13	(302,841)	(195,171)	(810,503)	(676,693)
Net profit for the period before tax		314,735	277,272	901,474	807,373
Tax expense		(535)	(525)	(1,535)	(1,375)
Net profit for the period		314,200	276,747	899,939	805,998
Net profit for the period attributable to:					
Equity holders of the Bank		314,200	276,747	899,939	805,998
Non-controlling interests		-	-	-	-
Net profit for the period		314,200	276,747	899,939	805,998
Earnings per share					
Basic and diluted earnings per share (QAR per share)	17	0.61	0.53	1.73	1.55

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

DUKHAN BANK Q.P.S.C. (FORMERLY BARWA BANK Q.P.S.C.)
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
For the nine month period ended 30 September 2021

<i>For the nine month period ended 30 September 2021</i>	Share capital QAR '000	Legal Reserve QAR '000	Treasury shares QAR '000	Risk reserve QAR '000	Fair value reserve QAR '000	Other reserves QAR '000	Retained earnings QAR '000	Total equity attributable to equity holders of the Bank QAR '000	Non- controlling interests QAR '000	Sukuk eligible as additional capital QAR '000	Total owners' equity QAR '000
Balance as at 1 January 2021 (Audited)	5,234,100	4,330,473	(38,350)	1,235,629	(24,621)	73,333	693,383	11,503,947	91	-	11,504,038
Net profit for the period	-	-	-	-	-	-	899,939	899,939	-	-	899,939
Fair value reserve movement	-	-	-	-	20,008	-	-	20,008	-	-	20,008
Transferred to retained earnings on disposal of equity-type instruments classified as fair value through equity	-	-	-	-	9,677	-	(9,677)	-	-	-	-
Share of comprehensive income of associates	-	-	-	-	1,058	-	-	1,058	-	-	1,058
Total recognised income for the period	-	-	-	-	30,743	890,262	890,262	921,005	-	-	921,005
Dividend paid (Note 14(f))	-	-	-	-	-	-	(519,575)	(519,575)	-	-	(519,575)
Sukuk issuance eligible as additional capital (Note 21)	-	-	-	-	-	-	-	-	-	1,820,750	1,820,750
Balance at 30 September 2021 (Reviewed)	5,234,100	4,330,473	(38,350)	1,235,629	6,122	73,333	1,064,070	11,905,377	91	1,820,750	13,726,218

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DUKHAN BANK Q.P.S.C. (FORMERLY BARWA BANK Q.P.S.C.)
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
For the nine month period ended 30 September 2021

	Share capital QAR '000	Legal reserve QAR '000	Treasury shares QAR '000	Risk reserve QAR '000	Fair value reserve QAR '000	Foreign currency translation reserve QAR '000	Other reserves QAR '000	Retained earnings QAR '000	Total equity attributable to equity holders of the Bank QAR '000	Non-controlling interests QAR '000	Total owners' equity QAR '000
For the nine month period ended 30 September 2020	5,234,100	4,273,812	(38,350)	810,504	22,901	(81)	673,333	528,136	11,504,355	91	11,504,446
Balance as at 1 January 2020 (Audited)	-	-	-	-	-	-	-	805,998	805,998	-	805,998
Net profit for the period	-	-	-	-	(35,187)	-	-	-	(35,187)	-	(35,187)
Fair value reserve movement	-	-	-	-	70	-	-	-	70	-	70
Share of comprehensive income of associates	-	-	-	-	-	-	-	-	-	-	-
Total recognised income for the period	-	-	-	-	(35,117)	-	-	805,998	770,881	-	770,881
Dividend paid	-	-	-	-	-	-	-	(519,575)	(519,575)	-	(519,575)
Balance at 30 September 2020 (Reviewed)	5,234,100	4,273,812	(38,350)	810,504	(12,216)	(81)	673,333	814,559	11,755,661	91	11,755,752

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DUKHAN BANK Q.P.S.C. (FORMERLY BARWA BANK Q.P.S.C.)
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the nine month period ended 30 September 2021

	Notes	<i>For the nine month period ended 30 September</i>	
		2021 (Reviewed) QAR '000	2020 (Reviewed) QAR '000
Cash flows from operating activities			
Net profit for the period before tax		901,474	807,273
<i>Adjustments for:</i>			
Net impairment (reversal) / loss on due from banks	4(c)	(75)	44
Net impairment reversal on off balance sheet exposures subject to credit risk	4(c)	(7,711)	(16,242)
Net impairment loss on financing assets	4(c)	602,607	600,180
Net impairment (reversal) / loss on investment securities	4(c)	(58)	6,671
Depreciation and amortisation		100,644	83,060
Employees' end of service benefits provision		23,096	14,231
Net gain on sale of investment securities		(28,402)	(4,050)
Dividend income		(29,877)	(26,006)
Gain on disposal of fixed assets		(1,455)	(850)
Share of results of associates and joint ventures	11	6,752	15,359
<i>Profit before changes in operating assets and liabilities</i>		1,566,995	1,479,670
Change in reserve account with Qatar Central Bank		(1,015,477)	(114,147)
Change in due from banks		62,441	566,550
Change in financing assets		(20,552,072)	(4,863,229)
Change in other assets		(132,694)	(188,248)
Change in due to banks		(4,689,688)	4,370,433
Change in sukuk and fixed income financing		-	(165,963)
Change in customer current accounts		(391,067)	1,050,208
Change in other liabilities		591,187	103,833
		(24,560,375)	2,239,107
Dividends received		29,877	26,006
Employees' end of service benefits paid		(4,721)	(21,671)
Net cash (used in) / from operating activities		(24,535,219)	2,243,442
Cash flows from investing activities			
Acquisition of investments, net		(2,580,632)	(386,604)
Sale proceeds from Investment		1,514,840	256,701
Acquisition of fixed and intangible assets		(33,035)	(11,872)
Proceeds from sale of fixed assets		4,814	2,837
Net cash used in investing activities		(1,094,013)	(138,938)
Cash flows from financing activities			
Change in unrestricted investment account holders		19,362,093	(2,209,324)
Proceeds from issuance of sukuk eligible as capital	21	1,820,750	-
Dividend paid		(519,575)	(519,575)
Net cash from / (used in) financing activities		20,663,268	(2,728,899)
Net decrease in cash and cash equivalents		(4,965,964)	(624,395)
Cash and cash equivalents at 1 January		6,651,735	3,758,677
Cash and cash equivalents at 30 September	19	1,685,771	3,134,282

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

DUKHAN BANK Q.P.S.C. (FORMERLY BARWA BANK Q.P.S.C.)
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN RESTRICTED INVESTMENT ACCOUNTS
For the nine month period ended 30 September 2021

For the nine month period ended 30 September 2021

	At 1 January 2021 (Audited) Total value QAR '000	Movements during the period				Group's fee as an agent QAR '000	At 30 September 2021 (Reviewed) Total value QAR '000
		Investment / (withdrawal) QAR '000	Revaluation QAR '000	Gross Income QAR '000	Dividends paid QAR '000		
Discretionary Portfolio Management	275,674	73,000	5,561	13,030	-	-	367,265
Other Restricted Wakalas	780,249	397,981	5,794	-	-	-	1,184,024
	1,055,923	470,981	11,355	13,030	-	-	1,551,289

For the nine month period ended 30 September 2020

	At 1 January 2020(Audited) Total value QAR '000	Movements during the period				Group's fee as an agent QAR '000	At 30 September 2020 (Reviewed) Total value QAR '000
		Investment / (withdrawal) QAR '000	Revaluation QAR '000	Gross Income QAR '000	Dividends paid QAR '000		
Discretionary Portfolio Management	234,628	-	(20,869)	8,862	-	-	222,621
Other Restricted Wakalas	561,655	88,762	96,568	-	-	-	746,985
	796,283	88,762	75,699	8,862	-	-	969,606



DUKHAN BANK Q.P.S.C. (FORMERLY BARWA BANK Q.P.S.C.)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
As at and for the nine month period ended 30 September 2021

1. REPORTING ENTITY

Dukhan Bank (formerly known as Barwa 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 and principles as determined by the Shari’a Supervisory Board of the Bank and provisions of its Memorandum and Articles of Association. Investment activities are carried out for proprietary purpose and on behalf of customers.

On 12 August 2018, the Bank and International Bank of Qatar (“IBQ”) entered into a merger agreement as approved by the Board of Directors of both banks, which was subsequently approved by shareholder of both banks at respective extraordinary general meetings in December 2018. On 21 April 2019 (the effective date), 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. On the effective date, the assets and liabilities of IBQ has been assumed by Dukhan Bank in consideration for the issue of New Dukhan Bank Shares to existing IBQ Shareholders. Upon the merger becoming effective, IBQ has been dissolved as a legal entity pursuant to the provisions of Article 291 of the Companies Law. The combined bank retains Dukhan Bank’s legal registrations and licenses and continued to be a Shari’a compliant entity. The Bank operates through its head office situated on Grand Hamad Street, Doha and its 9 branches in Doha, State of Qatar.

The merger transaction has been executed through a share swap, with the IBQ shareholders receiving 2.031 Dukhan Bank shares for each of the IBQ share they hold. Following the issuance of the new Dukhan Bank shares, shareholders of the Bank own approximately 57% of the combined bank and IBQ shareholders own approximately 43%. The Bank post completion of merger is now 24.48% owned by General Retirement and Social Insurance Authority, 11.67% by Military Pension Fund (Qatar), and 6.96% 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 several individuals, Corporates and Government related entities. 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.

The principal subsidiaries of the Group are as follows:

<i>Name of subsidiary</i>	<i>Country of incorporation</i>	<i>Year of incorporation</i>	<i>Percentage of ownership as at</i>	
			<i>30 September 2021</i>	<i>31 December 2020</i>
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%
Dukhan Tier-1 Sukuk Limited	Cayman Islands	2021	100%	-
IBQ Finance Limited*	Cayman Islands	2015	-	100%
IBQ Global Markets Limited*	Cayman Islands	2017	-	100%

* During the period, the Group wound-up the operations of IBQ Finance Limited and IBQ Global Markets Limited.

The business description and principal activities of each of the above listed subsidiaries is consistent with the explanation as provided in the 31 December 2020 year-end audited financial statements except Dukhan Tier-1 Sukuk Limited which was incorporated during 2021 for issuance of sukuk eligible as capital on behalf of the Group.

The interim condensed consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors passed on 23 November 2021.

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 2020, except for adoption of new standards effective from 1 January 2021 as stated in note 3. These interim condensed consolidated financial statements have been prepared in accordance with the Financial Accounting Standards ("FAS") as issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI") as modified by the Qatar Central Bank, the Islamic Shari'a Rules and Principles as determined by the Shari'a Supervisory Board of the Group and the applicable provisions of Qatar Commercial Companies' Law No. 11 of 2015. 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"). Accordingly, the interim condensed consolidated financial statements have been prepared in accordance with the guidance provided by International Accounting Standard 34 'Interim Financial Reporting'.

These interim condensed consolidated financial statements do not contain all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2020. The results for the period ended 30 September 2021 are not necessarily indicative of the results that may be expected for the year ending 31 December 2021.

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, which did not result in any material adjustment.

(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.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the accounting policies were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2020 including the following estimates which are subject to high level of uncertainty due to COVID-19:

2. BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgments (continued)

i) Covid-19 and Expected Credit Loss (ECL)

Any changes made to ECL to estimate the overall impact of Covid-19 is subject to very high levels of uncertainty as so little reasonable and supportable forward-looking information is currently available on which to base those changes. The Group has performed historical analysis and identified key economic variables impacting credit risk and ECL for each portfolio and expert judgement has also been applied in this process. Forecast of these economic variables (the "base, upside and downside economic scenario") are obtained externally.

In its ECL models, the Bank relies on a broad range of forward-looking information as economic inputs, such as 1) Average volume of exports of Qatar government; 2) Average volume of government expenditures; and 3) Gross Domestic Product of Qatar. Macroeconomic factors and forward-looking information are required to be incorporated into the measurement of ECL as well as the determination of whether there has been a significant increase in credit risk since origination.

In light of the current uncertain economic environment, the Group has re-assessed the scenario weighting to reflect the impact of current uncertainty in measuring the estimated credit losses for the period ended 30 September 2021, refer to note 23. As with any economic forecasts, the projections and likelihoods of the occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected.

ii) Valuation of financial and non-financial assets (including goodwill)

The Group has also considered potential impacts of the current economic volatility in determination of the fair value of the Group's financial and non-financial assets and liabilities, for which there is no observable inputs, and these are considered to represent management's best assessment based on available or observable information. However markets remain volatile and the recorded amounts remain sensitive to market fluctuations.

iii) Investment Classification

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

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 annual financial statements for the year ended 31 December 2020 except for the following:

Sukuk eligible as additional capital

Sukuks issued by the Group which are perpetual, unsecured, subordinated to ordinary equity shares and the payment of profit for such sukuk is non-cumulative, and are made at the discretion of Group are initially recognized as equity. The Group has the right not to pay profit on these sukuk, and the sukuk holders will have no claim with respect to nonpayment. The sukuk does not have a fixed maturity date.

The Group incurs various costs in issuing its own instruments which are accounted as equity as mentioned in the above paragraph. Those costs might include registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties. The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. The costs of an equity transaction that is abandoned are recognised as an expense. Profit distributions on perpetual sukuk are recognized as a deduction in equity after declaration due to their profit's non-cumulative feature.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New standards, amendments and interpretations effective from 1 January 2021

FAS 32 - Ijarah

This standard supersedes FAS 8 "Ijarah and Ijarah Muntahia Bittamleek". FAS 32 sets out the 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 is 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 the QCB instructions. The Bank has performed an impact assessment during the period and submitted to QCB.

Under this standard, an institution, in its capacity either as lessor or lessee shall classify each of its Ijarah into a) operating Ijarah b) Ijarah Muntahia Bittamleek with expected transfer of ownership after the end of the Ijarah term – either through sale or gift; and c) Ijarah Muntahia Bittamleek with gradual transfer – with gradual transfer of ownership during the Ijarah term including Diminishing Musharaka Ijarah.

The standard includes two recognition exemptions for lessees – leases of "low-value" assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of the lease, a lessee will recognize an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset) and a net Ijarah liability, duly comprising of a) gross Ijarah liability and b) deferred Ijarah cost (shown as contra-liability). Further, the net Ijarah liability should be netted-off against the advance rental's payments made prior to the commencement of lease term.

Transitional provisions

An entity may opt not to apply this standard on a prospective basis for transactions executed on or after the effective date.

The Group has adopted FAS 32 Ijarah as issued by AAOIFI from its mandatory adoption date, 1 January 2021, on a prospective basis. The adoption of FAS 32 has resulted in certain changes in the accounting policies for recognition, classification and measurement of Ijarah type transactions. Set out below are the details of the specific FAS 32 accounting policies applied in the current period.

Categorization and classification

FAS 32 contains classification for Ijarah type transactions that the Group as a lessor or lessee, shall classify each of its Ijarah as:

- (a) An operating Ijarah;
- (b) An Ijarah Muntahia Bittamleek ("Ijarah MBT"), including:
 - (i) An Ijarah MBT with expected transfer of ownership after end of Ijarah term either through a sale or a gift; and
 - (ii) An Ijarah MBT with gradual transfer of ownership during the Ijarah term (Including Diminishing Musharaka Ijarah);

The application of this standard has resulted in almost all type of Ijarah being recognized on the statement of financial position, as the distinction of accounting treatment between operating and Ijarah MBT (financing Ijarah) is removed. Under the new standard, an asset (the right to use the Ijarah item) and a financial liability to pay rentals are recognized as Ijarah liability. The only recognition exemptions are short-term and low-value Ijarah.

The standard resulted in changes regarding accounting treatment of operating Ijarah as a lessee. Following adoption of this standard from 1 January 2021, the Group has applied the simplified transition approach and has not restated comparative amounts, prior to the date of adoption of the standard. As allowed under FAS 32, right-of-use assets are measured at the amount of the Ijarah liability on adoption (adjusted for any prepaid or accrued expenses).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New standards, amendments and interpretations effective from 1 January 2021 (continued)

FAS 32 - Ijarah (continued)

Further the Group has used the following practical expedients on initial application:

- Used the Group's previous assessment of which existing contracts are, or contain, operating Ijarah;
- Exclude initial direct costs from the measurement of right-of-use asset at the date of initial application;
- Use hindsight, such as in determining the lease term if the contract contains options to extend or terminate the operating lease; and
- Where unexpired Ijarah term of less than 12 months of leases are of low value (QAR 25,000 or less), then the Group has elected to use the short term Ijarah exception.

When measuring operating Ijarah liabilities, the Group discounted operating Ijarah payments using its effective rate of borrowing at 1 January 2021.

The Group's activities as a lessor in relation to operating Ijarah of land or building are not material and hence the Group did not have any significant impact on the interim condensed consolidated financial statements. Regarding Ijarah financing transactions, the adoption of FAS 32 had no impact on any amounts reported in the interim condensed consolidated financial statements for the period ended 30 September 2021. The Groups' existing accounting policies around all type of Ijarah financing transactions will remain the same even pursuant to the adoption of FAS 32 as mandated by QCB (until any further instructions in this regard from their end), where it will continue to be recognised as part of the 'Financing Assets' and its corresponding revenue is recognised as part of the 'Net Income from Financing Activities' on effective rate of return basis on net Ijarah assets.

The following amounts are recognised under the new standard and included in the respective headings of the interim condensed consolidated statement of financial position and income statement.

	30 September 2021 (Reviewed) QAR'000
Right-of-use asset ('Fixed assets')	<u>69,113</u>
Gross Operating Ijarah liability	74,918
Less: Deferred profit	<u>(29,930)</u>
Net Operating Ijarah liability ('Other liabilities')	<u>44,988</u>
	For nine month period ended 30 September 2021 (Reviewed) QAR'000
Depreciation charge for right-of-use asset ('Depreciation & amortization')	<u>17,500</u>
Profit expense on operating Ijarah liabilities ('Finance cost')	<u>7,226</u>

FAS 35 - Risk Reserves

AAOIFI has issued FAS 35 in 2018. This standard along with FAS 30 - Impairment, credit losses and onerous commitments" supersede the earlier FAS 11 - Provisions and reserves. The objective of this standard is to establish the principles of accounting and financial reporting for risk reserves established to mitigate various risks faced by stakeholders, mainly the profit and loss taking investors, of Islamic financial institutions (IFIs / the institutions). The adoption of this standard does not have any significant impact on the interim condensed consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New standards, amendments and interpretations effective from 1 January 2021 (continued)

IBOR Reform – Phase 2

IBOR - Phase 2 amendments, effective from 1 January 2021, address issues that might affect financial reporting as a result of the reform of the rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of the rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and hedge accounting.

The amendments require an entity to account for a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by rate benchmark reform by updating the effective profit rate of the financial asset or financial liability. In addition, it provides certain exceptions to hedge accounting requirements.

The Group is in the process of establishing policies for amending the interbank offered rates that will be replaced as part of IBOR reforms. The Bank had discussion with counterparties in relation to exposure to derivative and non-derivative financial assets and liabilities linked to Inter Bank Offered Rate maturing beyond the year 2021.

The Bank is in discussions with various stakeholders to amend the contractual terms in preparation for IBOR reform and assess preparedness for adopting alternate reference rates and continues to engage with various stakeholders to support an orderly transition and to mitigate the risks resulting from the transition.

New standards, amendments and interpretations issued but not yet effective

FAS 38 Wa'ad, Khiyar and Tahawwut

AAOIFI has issued FAS 38 "Wa'ad, Khiyar and Tahawwut" in 2020. The objective of this standard is to prescribe the accounting and reporting principles for recognition, measurement and disclosure in relation to Shari'ah compliant Wa'ad (promise), Khiyar (option) and Tahawwut (hedging) arrangements for Islamic financial institutions. Wa'ad and Khiyar are used by institutions in various forms. Some are ancillary to other transactions, whereas a few are used as primary products. This standard intends to provide accounting principles for both of these, as well as the Tahawwut transactions which are normally based on Wa'ad or Khiyar, or a series or combination thereof. This standard shall be effective for the financial periods beginning on or after 1 January 2022 with early adoption permitted. The Group is currently evaluating the impact of this standard.

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 2020. Following are some special considerations due to the COVID - 19 pandemic, which are also consistent with the Group's financial risk management objectives and policies as disclosed in the consolidated financial statements as at and for the year ended 31 December 2020 but subject to constant review and evaluation:

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Risk management in the current economic scenario

The COVID - 19 and the measures to reduce its spread has impacted the local economy. Regulators and governments across the globe have introduced fiscal and economic stimulus measures to mitigate its impact. The Group is closely monitoring the situation and has invoked required actions to ensure safety and security of Group staff and an uninterrupted service to our customers. The senior management of the Group is continuously monitoring the situation and is taking timely decisions to resolve any concerns. The Group has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for staff and related risk and control measures were assessed to make sure they are fully protected. COVID 19 has impacted the banks in Qatar from various facets which includes increase in overall credit risk pertaining to financing assets portfolio in certain sectors, reduced fee income. We have mentioned below the major aspects of COVID 19 on the Group's risk management policies:

i) Assets quality and credit risk

The Risk department of the Group is conducting assessments to identify borrowers operating in various sectors which are most likely being affected by the pandemic. Group has conducted various stress tests on the Credit portfolio and is confident that the CAR buffer currently maintained of 18.3% is sufficient.

ii) Liquidity management

Considering the economic circumstances post the COVID-19 outbreak, The Group has delayed repayments of certain customers. The Asset and Liability Committee (ALCO) of the Bank is continuously monitoring the liquidity position and is taking due precautionary measures where needed. The Group has conducted various stress testing on its liquidity ratios and is confident that the liquidity buffer currently maintained by the Bank is sufficient to cater any adverse movement in cash flow maturity profile.

iii) Capital Adequacy Ratio

Under the current scenario, the financial institutions are under pressure to extend further credit to its borrowers under national guarantee program, while overall deteriorating credit risk and increased non-performing assets (NPLs) may also put additional pressures on the Group from Capital Adequacy Ratio perspective. The Group believes that it has sufficient buffer in its CAR requirement to meet any adverse movements in credit, market or operational risks.

(b) FAS 30 and ECL Regulations

AAOIFI has issued FAS 30 Impairment, credit losses and onerous commitments (FAS 30) in 2017. The objective of this standard is to establish the principles of accounting and financial reporting for the impairment and credit losses on various Islamic financing, investment and certain other assets of Islamic financial institutions (the institutions), and provisions against onerous commitments enabling in particular the users of financial statements to fairly assess the amounts, timing and uncertainties with regard to the future cash flows associated with such assets and transactions.

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

The standard was effective from financial periods beginning 1 January 2020 with early adoption permitted. However, in 2018, the Group early adopted FAS 30 effective 1 January 2018 based on QCB instructions pertaining to ECL regulations. The respective adjustments to the opening retained earnings and non-controlling interests as of 1 January 2018 were disclosed in the Group's annual consolidated financial statements for the year ended 31 December 2018.

Further detail on the key considerations relating to estimates and judgements relating to ECL calculation is given under note 2 (d) and note 23.

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4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Expected credit loss / Impairment allowances

	<i>Stage 1</i> QAR '000	<i>Stage 2</i> QAR '000	<i>Non - performing</i> QAR '000	<i>Total</i> QAR '000
Exposure (carrying value) subject to ECL as at 30 September 2021 (Reviewed)				
- Financing assets	62,585,411	16,120,116	2,264,364	80,969,891
- Due from banks	1,287,720	-	-	1,287,720
- Debt type investments carried at amortised cost	1,914,926	53,685	-	1,968,611
- Off balance sheet exposures subject to credit risk	16,368,620	4,483,787	10,508	20,862,915
	<u>82,156,677</u>	<u>20,657,588</u>	<u>2,274,872</u>	<u>105,089,137</u>
Opening Balance – as at 1 January 2021 (Audited)				
- Financing assets	113,381	585,984	1,138,387	1,837,752
- Due from banks	126	-	-	126
- Debt type investments carried at amortised cost	3,967	9,466	-	13,433
- Off balance sheet exposures subject to credit risk	56,406	257,804	3,230	317,440
	<u>173,880</u>	<u>853,254</u>	<u>1,141,617</u>	<u>2,168,751</u>
Net transfer between stages				
- Financing assets	(46,608)	(36,789)	83,397	-
- Due from banks	-	-	-	-
- Debt type investments carried at amortised cost	-	-	-	-
- Off balance sheet exposures subject to credit risk	(17,260)	17,260	-	-
	<u>(63,868)</u>	<u>(19,529)</u>	<u>83,397</u>	<u>-</u>
Charge for the period (net)				
- Financing assets	5,926	421,073	175,608	602,607
- Due from banks	(75)	-	-	(75)
- Debt type investments carried at amortised cost	(53)	(5)	-	(58)
- Off balance sheet exposures subject to credit risk	(5,906)	(2,671)	866	(7,711)
	<u>(108)</u>	<u>418,397</u>	<u>176,474</u>	<u>594,763</u>
- Financing assets – write-off	-	-	(1,269)	(1,269)
- Financing assets – profit in suspense net movement	-	-	44,344	44,344
	<u>(108)</u>	<u>418,397</u>	<u>219,549</u>	<u>637,838</u>
Closing Balance – as at 30 September 2021 (Reviewed)				
- Financing assets	72,699	970,268	1,440,467	2,483,434
- Due from banks	51	-	-	51
- Debt type investments carried at amortised cost	3,914	9,461	-	13,375
- Off balance sheet exposures subject to credit risk	33,240	272,393	4,096	309,729
	<u>109,904</u>	<u>1,252,122</u>	<u>1,444,563</u>	<u>2,806,589</u>

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4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) 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 2020 (Reviewed)				
- Financing assets	42,710,216	13,029,247	3,097,265	58,836,728
- Due from banks	3,059,555	-	-	3,059,555
- Debt type investments carried at amortised cost	1,687,968	68,593	-	1,756,561
- Off balance sheet exposures subject to credit risk	17,372,629	2,855,018	14,840	20,242,487
	64,830,368	15,952,858	3,112,105	83,895,331
Opening Balance – as at 1 January 2020 (Audited)				
- Financing assets	151,213	587,259	1,278,016	2,016,488
- Due from banks	118	-	-	118
- Debt type investments carried at amortised cost	3,757	4,415	-	8,172
- Off balance sheet exposures subject to credit risk	300,841	26,061	5,481	332,383
	455,929	617,735	1,283,497	2,357,161
Acquired on Business Combination – Off-balance sheet exposures provision Net transfer between stages				
- Financing assets	(45,850)	(431,782)	477,632	-
- Due from banks	-	-	-	-
- Debt type investments carried at amortised cost	-	-	-	-
- Off balance sheet exposures subject to credit risk	(245,203)	245,203	-	-
	(291,053)	(186,579)	477,632	-
Charge for the period (net)				
- Financing assets	14,081	308,737	277,362	600,180
- Due from banks	44	-	-	44
- Debt type investments carried at amortised cost	280	6,391	-	6,671
- Off balance sheet exposures subject to credit risk	(3,374)	(22,182)	9,314	(16,242)
	11,031	292,946	286,676	590,653
- Financing assets – write-off	-	-	(1,653)	(1,653)
- Financing assets – profit in suspense net movement	-	-	34,560	34,560
	11,031	292,946	319,583	623,560
Closing Balance – as at 30 September 2020 (Reviewed)				
- Financing assets	119,444	464,214	2,065,917	2,649,575
- Due from banks	162	-	-	162
- Debt type investments carried at amortised cost	4,037	10,806	-	14,843
- Off balance sheet exposures subject to credit risk	52,264	249,082	14,795	316,141
	175,907	724,102	2,080,712	2,980,721

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4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) 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 2021:

<i>Rating grade</i>	<i>Financing assets QAR '000</i>	<i>Due from Banks QAR '000</i>	<i>Debt type investments carried at amortised cost QAR '000</i>	<i>Off balance sheet exposures subject to credit risk QAR '000</i>
Aaa to Aa3	32,408,883	73,812	-	1,565,912
A1 to A3	7,806,552	795,897	1,232,248	2,043,354
Baa1 to Baa3	19,725,171	414,010	132,429	13,277,228
Ba1 to B3	13,437,735	4,001	603,934	3,965,913
Below B3	2,264,364	-	-	10,508
Unrated	5,327,186	-	-	-
Total (Reviewed)	80,969,891	1,287,720	1,968,611	20,862,915

31 December 2020

<i>Rating grade</i>	<i>Financing assets QAR '000</i>	<i>Due from Banks QAR '000</i>	<i>Debt type investments carried at amortised cost QAR '000</i>	<i>Off balance sheet exposures subject to credit risk QAR '000</i>
Aaa to Aa3	13,634,792	2,537,518	55,798	1,562,876
A1 to A3	10,510,783	3,172,831	1,321,274	2,502,745
Baa1 to Baa3	16,619,640	44,620	54,623	12,114,156
Ba1 to B3	12,157,811	289	699,885	4,471,450
Below B3	2,177,763	-	-	14,951
Unrated	5,273,955	136,656	-	-
Total (Audited)	60,374,744	5,891,914	2,131,580	20,666,178

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.

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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 2021 (Reviewed)

	Wholesale banking QAR '000	Retail and private banking QAR '000	Treasury and investments division QAR '000	Investment banking and asset management QAR '000	Unallocated QAR '000	Total QAR '000
Total income from financing and investing activities	1,087,736	1,057,074	505,517	5,597	-	2,655,924
Net fee and commission income	79,495	26,361	-	8,513	-	114,369
Reportable segment net profit	440,526	69,778	388,778	857	-	899,939
Reportable segment assets	43,715,700	36,146,909	22,128,723	469,507	1,011,799	103,472,638

30 September 2020 (Reviewed)

	Wholesale banking QAR '000	Retail and private banking QAR '000	Treasury and investments division QAR '000	Investment banking and asset management QAR '000	Unallocated QAR '000	Total QAR '000
Total income from financing and investing activities	1,148,933	908,971	513,198	2,052	-	2,573,154
Net fee and commission income	81,397	20,910	20,227	5,168	-	127,702
Reportable segment net profit	394,355	158,086	255,367	(1,810)	-	805,998
Reportable segment assets	37,863,175	19,935,376	20,654,500	514,035	1,540,417	80,507,503

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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:

	<i>Fair value through statement of income</i> QAR '000	<i>Fair value through equity</i> QAR '000	<i>Amortised cost</i> QAR '000	<i>Total carrying amount</i> QAR '000	<i>Fair value</i> QAR '000
30 September 2021 (Reviewed)					
Cash and balances with Qatar Central Bank	-	-	3,958,819	3,958,819	3,958,819
Due from banks	-	-	1,287,669	1,287,669	1,287,669
Financing assets	-	-	78,486,457	78,486,457	78,486,457
Investment securities:					
- Carried at fair value	177,531	1,255,924	-	1,433,455	1,433,455
- Carried at amortised cost	-	-	16,342,143	16,342,143	16,429,751
Risk management instruments	72,132	-	-	72,132	72,132
	249,663	1,255,924	100,075,088	101,580,675	101,668,283
Due to banks	-	-	14,258,065	14,258,065	14,258,065
Sukuk and fixed income financing	-	-	-	-	-
Customers current accounts	-	-	6,944,420	6,944,420	6,944,420
Risk management instruments	36,830	-	-	36,830	36,830
	36,830	-	21,202,485	21,239,315	21,239,315
Equity of unrestricted investment account holders	-	-	65,908,145	65,908,145	65,908,145
	36,830	-	87,110,630	87,147,460	87,147,460

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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:

	Fair value through statement of income QAR '000	Fair value through equity QAR '000	Amortised cost QAR '000	Total carrying amount QAR '000	Fair value QAR '000
<i>31 December 2020 (Audited)</i>					
Cash and balances with Qatar Central Bank	-	-	3,367,553	3,367,553	3,367,553
Due from banks	-	-	5,891,788	5,891,788	5,891,788
Financing assets	-	-	58,536,992	58,536,992	58,536,992
Investment securities:					
- Carried at fair value	88,724	1,019,967	-	1,108,691	1,108,691
- Carried at amortised cost	-	-	15,552,472	15,552,472	15,668,454
Risk management instruments	80,311	-	-	80,311	80,311
	169,035	1,019,967	83,348,805	84,537,807	84,653,789
Due to banks	-	-	18,947,753	18,947,753	18,947,753
Sukuk financing	-	-	-	-	-
Customers current accounts	-	-	7,335,487	7,335,487	7,335,487
Risk management instruments	91,093	-	-	91,093	91,093
	91,093	-	26,283,240	26,374,333	26,374,333
Equity of unrestricted investment account holders	-	-	46,546,052	46,546,052	46,546,052
	91,093	-	72,829,292	72,920,385	72,920,385

Note: Certain fair value and classification of financial instruments for the nine month period ended 30 September 2020 were reclassified in the interim condensed consolidated financial statements for the nine month period ended 30 September 2021 to conform to the presentation and classification adopted in the current period.

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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:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
<i>30 September 2021 (Reviewed)</i>	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>	<i>QAR '000</i>
Risk management instruments (assets)	-	-	72,132	72,132
Investment securities carried at fair value	1,124,452	-	309,003	1,433,455
	<u>1,124,452</u>	<u>-</u>	<u>381,135</u>	<u>1,505,587</u>
Risk management instruments (liabilities)	-	-	36,830	36,830
	<u>-</u>	<u>-</u>	<u>36,830</u>	<u>36,830</u>
<i>31 December 2020 (Audited)</i>				
Risk management instruments (assets)	-	-	80,311	80,311
Investment securities carried at fair value	811,725	-	296,966	1,108,691
	<u>811,725</u>	<u>-</u>	<u>377,277</u>	<u>1,189,002</u>
Risk management instruments (liabilities)	-	-	91,093	91,093
	<u>-</u>	<u>-</u>	<u>91,093</u>	<u>91,093</u>

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.

The valuation technique in measuring the fair value financial instruments categorized as level 3 were in line with 31 December 2020.

7. CASH AND BALANCES WITH QATAR CENTRAL BANK

	<i>30 September</i>	<i>31 December</i>
	<i>2021</i>	<i>2020</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>QAR '000</i>	<i>QAR '000</i>
Cash	326,695	473,232
Cash reserve with QCB*	3,250,277	2,234,800
Other balances with QCB	381,847	659,521
	<u>3,958,819</u>	<u>3,367,553</u>

*The cash reserve with QCB is not available for use in the Group's day to day operations.

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8. DUE FROM BANKS

	30 September 2021 (Reviewed) QAR '000	31 December 2020 (Audited) QAR '000
Current accounts	336,801	375,127
Wakala placements with banks	838,320	5,273,921
Mudaraba placements	74,196	163,228
Commodity Murabaha receivable	38,398	78,165
Accrued profit	5	1,473
Allowance for impairment*	(51)	(126)
	<u>1,287,669</u>	<u>5,891,788</u>

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

9. FINANCING ASSETS

	30 September 2021 (Reviewed) QAR '000	31 December 2020 (Audited) QAR '000
Murabaha	71,969,415	51,113,474
Ijarah Muntahia Bittamleek	4,979,135	4,750,666
Musawama	1,128,098	1,172,913
Istisna	700,215	1,247,706
Acceptances	895,407	559,503
Cards	194,087	195,739
Others	2,150,708	2,248,299
Accrued profit	455,255	601,826
Total financing assets	<u>82,472,320</u>	<u>61,890,126</u>
Less: Deferred profit	<u>(1,502,429)</u>	<u>(1,515,382)</u>
Allowance for impairment on financing assets	<u>(2,296,690)</u>	<u>(1,695,352)</u>
Suspended profit on non performing financing assets	<u>(186,744)</u>	<u>(142,400)</u>
Allowance for impairment*	<u>(2,483,434)</u>	<u>(1,837,752)</u>
Net financing assets	<u>78,486,457</u>	<u>58,536,992</u>

*For stage wise exposure, allowance for impairment and profit in suspense refer note 4(c). The total non-performing financing assets at 30 September 2021 amounted to QAR 2,264.4 million, representing 2.8% of the gross financing assets (31 December 2020: QAR 2,177.8 million, representing 3.6%).

Others include QAR 2,150.7 million (31 December 2020: QAR 2,248.3 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.

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10. INVESTMENT SECURITIES

	30 September 2021 (Reviewed)			31 December 2020 (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	140,400	-	140,400	79,688	-	79,688
• Debt-type investments	37,131	-	37,131	9,036	-	9,036
	177,531	-	177,531	88,724	-	88,724
<i>Debt-type investments classified at amortised cost</i>						
- Fixed rate*	2,960,324	13,246,952	16,207,276	3,125,772	12,280,720	15,406,492
- Allowance for impairment**	(13,375)	-	(13,375)	(13,433)	-	(13,433)
	2,946,949	13,246,952	16,193,901	3,112,339	12,280,720	15,393,059
<i>Investments classified as fair value through equity</i>						
• Equity-type investments	946,921	309,003	1,255,924	723,001	296,966	1,019,967
• Debt-type investments	-	-	-	-	-	-
	946,921	309,003	1,255,924	723,001	296,966	1,019,967
	4,071,401	13,555,955	17,627,356	3,924,064	12,577,686	16,501,750
Accrued profit income			148,242			159,413
			17,775,598			16,661,163

*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 3,137.0 million (31 December 2020: QAR 3,195.7 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(c).

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10. INVESTMENT SECURITIES (CONTINUED)

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

	30 September 2021 (Reviewed) QAR'000	31 December 2020 (Audited) QAR'000
Balance at 1 January	(24,621)	22,901
Net change in fair value	20,008	(47,480)
Transferred to consolidated statement of income on impairment	-	256
	20,008	(47,224)
Share of associate's fair value changes	1,058	(3)
Transferred to retained earnings on disposal of equity-type instruments classified as fair value through equity	9,677	-
Appropriated to equity of unrestricted investment account Holders	-	(295)
Balance at period / year end	<u>6,122</u>	<u>(24,621)</u>

11. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

	30 September 2021 (Reviewed) QAR'000	31 December 2020 (Audited) QAR'000
Balance at 1 January	83,535	147,404
Share of results of associates and joint ventures	(6,752)	(19,962)
Disposal during the year	-	(9,029)
Share of associates and joint ventures fair value and currency translation reserve changes	1,058	78
Impairment	-	(34,956)
Balance at period / year end	<u>77,841</u>	<u>83,535</u>

12. DUE TO BANKS

	30 September 2021 (Reviewed) QAR'000	31 December 2020 (Audited) QAR'000
Due to QCB*	3,100,000	6,100,000
Commodity Murabaha payable*	1,129,759	1,337,297
Wakala payable	10,027,815	11,509,631
Profit payable	491	825
	<u>14,258,065</u>	<u>18,947,753</u>

*This represents amounts held under repurchase agreements amounting to QAR 4,425.9 million (31 December 2020: QAR 7,686.4 million).

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13. EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS

	30 September 2021 (Reviewed) QAR'000	31 December 2020 (Audited) QAR'000
Unrestricted investment account holders balance before share of profit (a)	65,462,826	46,330,383
Distributable profits to unrestricted investment account holders for the period (b)*	810,503	875,308
Profit distributed during the period	(365,716)	(660,171)
Profit payable to unrestricted investment account holders	444,787	215,137
Share in fair value reserve	532	532
Total unrestricted investment account holders balance	<u>65,908,145</u>	<u>46,546,052</u>
<i>(a) Unrestricted investment account holders balance before share of profit, by type:</i>		
Saving accounts	6,061,512	5,868,654
Call accounts	2,252,657	2,329,841
Term accounts	57,148,657	38,131,888
Total	<u>65,462,826</u>	<u>46,330,383</u>
<i>For the nine month period ended</i>		
	30 September 2021 (Reviewed) QAR'000	30 September 2020 (Reviewed) QAR'000
<i>(b) Return to unrestricted investment account holders for the period:</i>		
Saving accounts	58,159	59,969
Call accounts	2,574	4,006
Term accounts - 1 month	42,912	85,749
Term accounts - 3 month	180,254	89,576
Term accounts - 6 month	54,689	61,201
Term accounts - 9 month	2,406	660
Term accounts - 12 month	455,518	350,875
Term accounts - 2 year	5,464	4,614
Term accounts - 4 year	8,527	20,043
Total*	<u>810,503</u>	<u>676,693</u>

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

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14. OWNERS' EQUITY

(a) Share capital

	<i>Ordinary shares</i>	
	30 September 2021 (Reviewed)	31 December 2020 (Audited)
Issued (<i>in thousands of shares</i>)	523,410	523,410

The Merger between the Bank and IBQ was effected by a capital issuance of 223.410 million shares of QAR 10 by the Bank to the shareholders of IBQ, in a share swap transaction at the exchange rate of 2.031 shares of the Bank for each share of IBQ. Following issuance of the new shares, the authorised share capital was increased to 523,410 thousand (31 December 2020: 523,410 thousand) ordinary shares, having a par value of QAR 10 each share. Out of this authorised capital 523,410 thousand ordinary shares (31 December 2020: 523,410 thousand) are issued and fully paid.

(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 2020, legal reserve balance was QAR 4,330.5 million. No further transfer has been made for the nine month period ended 30 September 2021 as the Bank transfers the required amount at the 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 2020, risk reserve balance was QAR 1,235.6 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 2021 as the Bank transfers the required amount at the 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 Owners' equity. As at 31 December 2020, other reserve total balance was QAR 73.3 million. No further transfer has been made for the nine month period ended 30 September 2021 as the Bank transfers the required amount at the year-end.

(e) Treasury shares

Treasury shares represent ordinary shares of Dukhan Bank with nominal value of QAR 10 each. Treasury shares are presented as a deduction from equity.

(f) Dividend

The Board of Directors in its meeting held on 7 February 2021 proposed a cash dividend for the year 2020 of 10.0% (31 December 2019: 10.0%) of the paid up share capital amounting to QAR 520 million – QAR 1.00 per share (31 December 2019: QAR 520 million – QAR 1.00 per share), which was subsequently approved for distribution at the Annual General Meeting of the shareholders of the Bank held on 24 March 2021.

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15. CONTINGENT LIABILITIES AND COMMITMENTS

	30 September 2021 (Reviewed) QAR'000	31 December 2020 (Audited) QAR'000
a) Contingent liabilities		
Unused credit facilities	18,510,903	17,424,667
Guarantees	18,709,679	18,569,351
Letters of credit	2,153,236	2,096,827
	<u>39,373,818</u>	<u>38,090,845</u>
b) Commitments		
Profit rate swaps	2,484,429	2,492,703
Options	703,023	706,692
Other risk management instruments – WAAD	18,636,014	3,815,314
	<u>21,823,466</u>	<u>7,014,709</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 2021 (Reviewed) QAR'000	31 December 2020 (Audited) QAR'000
Within one year	<u>4,064</u>	<u>41,253</u>
After one year but not more than five years	<u>3,427</u>	<u>89,087</u>

16. INTANGIBLE ASSETS

	30 September 2021 (Reviewed) QAR'000	31 December 2020 (Audited) QAR'000
Goodwill and Intangibles		
Goodwill	443,060	443,060
Customer relationship	447,969	492,031
Core deposits	120,770	135,559
	<u>1,011,799</u>	<u>1,070,650</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, however refer note 2(d) (ii). When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized.

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17. BASIC AND DILUTED EARNINGS PER SHARE

Earnings per share 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 2021</i>	<i>30 September 2020</i>	<i>30 September 2021</i>	<i>30 September 2020</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>
Net profit for the period attributable to the equity holders of the Bank	314,200	276,747	899,939	805,998
Weighted average number of outstanding shares	519,575	519,575	519,575	519,575
Basic and diluted earning per share (QAR)	0.61	0.53	1.73	1.55

The weighted average number of shares have been calculated as follows:

Weighted average number of shares from beginning	523,410	523,410	523,410	523,410
Weighted average number of shares issued on business combination	-	-	-	-
Treasury shares	(3,835)	(3,835)	(3,835)	(3,835)
Weighted average number of shares at 30 September	519,575	519,575	519,575	519,575

(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 2021 (Reviewed)</i>		
	<i>Subsidiaries</i>	<i>Board of directors</i>	<i>Others</i>
	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>
Assets:			
Customer financing	-	4,879,725	-
Liabilities:			
Customer deposits	725,711	1,417,316	3,874,636
Off balance sheet items:			
Unfunded credit facilities	16,991	366,250	-

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18. RELATED PARTIES (CONTINUED)

	<i>31 December 2020 (Audited)</i>		
	<i>Subsidiaries QAR'000</i>	<i>Board of directors QAR'000</i>	<i>Others QAR'000</i>
Assets:			
Customer financing	-	4,854,194	-
Liabilities:			
Customer deposits	630,966	1,247,641	3,377,413
Off balance sheet items:			
Unfunded credit facilities	21,608	454,435	-

Transactions with key management personnel

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

	<i>30 September 2021 (Reviewed) QAR'000</i>	<i>31 December 2020 (Audited) QAR'000</i>
Financing to key management personnel	9,223	13,015

	<i>For the nine month period ended</i>	
	<i>30 September 2021 (Reviewed) QAR'000</i>	<i>30 September 2020 (Reviewed) QAR'000</i>
<i>Compensation of key management personnel</i>		
Short-term employee benefits	49,402	47,973
Post-employment benefits	3,774	3,743
	<u>53,176</u>	<u>51,716</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:

	<i>30 September 2021 (Reviewed) QAR'000</i>	<i>31 December 2020 (Audited) QAR'000</i>
Cash and balances with Qatar Central Bank (excluding reserve account with Qatar Central Bank)	708,542	1,132,753
Due from banks	977,229	5,518,982
	<u>1,685,771</u>	<u>6,651,735</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 owners' equity for the comparative period/year.

21. SUKUK ELIGIBLE AS ADDITIONAL CAPITAL

In 2021, the Group issued a perpetual, unsecured, subordinated sukuk eligible as additional tier 1 capital amounting to USD 500 million listed in London Stock Exchange. The sukuk is unsecured and the profit distributions are non-cumulative, payable annually at an agreed expected profit rate of 3.950% 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 15.0% for 2021.

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

	30 September 2021 (Reviewed) QAR'000	31 December 2020 (Audited) QAR'000
Common Equity Tier 1 (CET) Capital	10,003,316	9,913,641
Additional Tier 1 Capital	1,820,750	-
Additional Tier 2 Capital	795,933	751,097
Total Eligible Capital	12,619,999	10,664,738
Risk Weighted Assets	69,019,603	65,091,233
Common Equity Tier 1 (CET 1) Capital Adequacy Ratio	14.5%	15.2%
Tier 1 Capital Adequacy Ratio	17.1%	15.2%
Total Capital Adequacy Ratio	18.3%	16.4%

23. IMPACT OF COVID-19

The coronavirus ("COVID-19") pandemic has spread across various geographies globally, causing disruption to business and economic activities. COVID-19 has brought about uncertainties in the global economic environment. The fiscal and monetary authorities, both domestic and international, have announced various support measures across the globe to counter possible adverse implications.

In addition, the Group's operations are concentrated in economies that are relatively dependent on the price of crude oil. As at the end of the financial reporting period, oil prices have witnessed unprecedented volatility. The Group is closely monitoring the situation and has activated its business continuity planning and other risk management practices to manage the potential business disruption the COVID-19 outbreak may have on its operations and financial performance.

The Bank has performed an assessment of COVID-19 in light of the available guidance of QCB and FAS, which has resulted in the following changes to the expected credit loss methodology and valuation estimates and judgements as at and for the period ended 30 September 2021, which is consistent from expected credit loss methodology adopted and valuation estimates and judgements as at and for the year ended 31 December 2020:

23. IMPACT OF COVID-19 (CONTINUED)

i. Expected credit losses

a) Reasonableness of Forward-Looking Information and probability weights:

The uncertainties caused by COVID-19, and the volatility in oil prices have required the Group to update the inputs and assumptions used for the determination of expected credit losses ("ECLs") as at 30 September 2021. ECLs were estimated based on a range of forecast economic conditions as at that date and considering that the situation is fast evolving, the Group has considered the impact of higher volatility in the forward-looking macro-economic factors, when determining the severity and likelihood of economic scenarios for ECL determination. This volatility has been reflected through adjustment in the methods of scenario construction and the underlying weightings assigned to these scenarios.

The forward-looking factor (here Credit Index or CI) used is determined from the observed historical credit index. The credit index is used to forecast expected point-in-time probability of defaults for the credit portfolio of the Bank. Interdependency exists between the CI and macro-economic factors as applicable, which for Qatar includes i) real GDP (decline) / growth of 2.52% for 2021 and 3.87% for 2022; ii) change in volume of exports of 2.29% for 2021 and 1.65% for 2022; and iii) government expenditure as percentage of GDP of 30.03% for 2021 and 27.63% for 2022 (31 December 2020: i) real GDP (decline) / growth of 2.52% for 2021 and 3.87% for 2022; ii) change in volume of exports of 2.29% for 2021 and 1.65% for 2022; and iii) government expenditure as percentage of GDP of 30.03% for 2021 and 27.63% for 2022). The ECL has been calculated as probability weighted figure for three scenarios viz.; Baseline, Extreme Downside and Improved with 65%, 25% and 10% weightings respectively (31 December 2020: Baseline, Extreme Downside and Improved with 65%, 25% and 10% weightings respectively). The situation is fast evolving and accordingly any downside scenarios will be reassessed if adverse conditions continue. In addition to the assumptions outlined above, the Group has given specific consideration to the relevant impact of COVID-19 on the qualitative and quantitative factors when determining the significant increase in credit risk and assessing the indicators of impairment for the exposures in potentially affected sectors.

b) Identifying significant increase in credit risk (SICR):

Post start of pandemic and upto 30 September 2021, the Group has delayed repayments for the affected sectors, that payment delay may indicate a SICR. However, the Group believes that the extension of these payment reliefs does not automatically trigger an SICR and a stage migration for the purposes of calculating ECL, as these are being made available to assist borrowers due to the effect of Covid-19 outbreak to resume regular payments. At this stage sufficient information is not available to enable the Group to individually differentiate between a borrowers' short term liquidity constraints and a change in its lifetime credit risk.

The Group continues to assess borrowers for other indicators of unlikelihood to pay, taking into consideration the underlying cause of any financial difficulty and whether it is likely to be temporary as a result of Covid-19 or longer term.

ii. Valuation estimates and judgements

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.

iii. Accounting for modified financing assets

Considering the economic circumstances post the COVID-19 outbreak, the Group has delayed repayments for the affected sectors. The accounting impact of the one-off extension of credit facilities due to Covid-19 has been assessed and has been treated as per the requirements of AAOIFI AAB 1- /2020 "Accounting implications of the impact of COVID- 19 pandemic".

iv. Accounting for zero rate repo facility

The QCB has encouraged banks to defer existing repayments of principal and profit due and extend new financing to affected sectors at reduced rates. It has extended support to all local banks to avail repo facilities at zero cost as well as providing guarantees in some cases from the Government of the State of Qatar to support the affected sectors. The net benefit arising out from the zero rate repos was not considered to be material for the period ended 30 September 2021.

24. ASSETS UNDER MANAGEMENT

Assets under management represent the funds belonging to Group's customers, for which it 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 2021, such assets total was QAR 3.9 billion (31 December 2020: QAR 3.1 billion). However, of such assets, only QAR 2,937.3 million (31 December 2020: QAR 1,889.0 million) was held in a fiduciary capacity.