

# QATAR INTERNATIONAL ISLAMIC BANK (Q.S.C.)

## INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2011 TOGETHER WITH INDEPENDENT AUDITOR'S REVIEW REPORT

### INDEPENDENT AUDITOR'S REVIEW REPORT

To The Board of Directors  
Qatar International Islamic Bank (Q.S.C.)  
Doha - Qatar

#### Introduction

We have reviewed the accompanying interim condensed financial statements of Qatar International Islamic Bank (Q.S.C.) ("the Bank") as at June 30, 2011, comprising the interim condensed statement of financial position as at June 30, 2011 and the related interim condensed statements of income for the three and six month periods ended June 30, 2011, and statements of changes in shareholders' equity, and cash flows for the six months period then ended, and certain explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions, Qatar Central Bank Regulations and the basis of accounting mentioned in note (2) of the accompanying interim condensed financial statements, and the Bank's undertaking to operate in accordance with Islamic Shari'a rules and principles. Our responsibility is to express a conclusion on these interim condensed 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 financial statements are not presented fairly, in all material respects, in accordance with Note 2 of the accompanying interim condensed financial statements and Qatar Central Bank regulations.

Doha - Qatar  
July 24, 2011

For Deloitte & Touche  
Muhammad Bahemia  
License No. 103

### INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2011

	June 30, 2011 (Reviewed) QR.'000	December 31, 2010 (Audited) QR.'000
<b>ASSETS</b>		
Cash and balances with Qatar Central Bank	1,449,421	954,630
Balances and investments with banks and other financial institutions	5,626,580	5,148,012
Receivables and balances from financing activities	10,122,058	9,177,747
Financial investments	3,227,439	1,694,264
Investment in associates	388,594	227,864
Investment properties held for leasing	235,815	74,764
Investment properties held for trading	660,143	343,044
Property and equipment	189,036	216,147
Other assets	274,171	342,469
<b>TOTAL ASSETS</b>	<b>22,173,257</b>	<b>18,178,941</b>
<b>LIABILITIES, HOLDERS OF UNRESTRICTED INVESTMENT ACCOUNTS AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Current accounts from banks and financial institutions	19,359	100,110
Customers' current accounts	3,706,110	2,836,131
Other liabilities	471,328	227,651
<b>TOTAL LIABILITIES</b>	<b>4,196,797</b>	<b>3,163,892</b>
<b>HOLDERS OF UNRESTRICTED INVESTMENT ACCOUNTS</b>		
	13,361,031	11,197,751
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	1,513,687	1,387,546
Legal reserve	2,452,362	1,651,369
Fair value reserve	135,074	66,074
Risk reserve	152,869	152,869
Foreign currency translation reserve	(1,866)	(1,866)
Other reserves	40,800	40,800
Proposed cash dividends	--	520,330
Retained earnings	322,503	176
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>4,615,429</b>	<b>3,817,298</b>
<b>TOTAL LIABILITIES, HOLDERS OF UNRESTRICTED INVESTMENT ACCOUNTS AND SHAREHOLDERS' EQUITY</b>	<b>22,173,257</b>	<b>18,178,941</b>

These interim condensed financial statements were approved by the Board of Directors on July 24, 2011 and signed on its behalf by the following:

Dr. Khaled Bin Thani  
Bin Abdullah Al Thani  
Chairman and Managing Director

Abdulbasit Ahmad  
Abdulrahman Al-Sheibi  
Chief Executive Officer

### INTERIM CONDENSED STATEMENT OF INCOME

FOR THE THREE AND SIX MONTH PERIODS  
ENDED JUNE 30, 2011

	Three Month Period Ended June 30,		Six Month Period Ended June 30,	
	2011 QR.'000	2010 QR.'000	2011 QR.'000	2010 QR.'000
Income from financing activities	222,424	207,180	419,861	416,216
Income from investing activities	44,495	21,112	96,584	36,093
<b>TOTAL INCOME FROM FINANCING AND INVESTING ACTIVITIES</b>	<b>266,919</b>	<b>228,292</b>	<b>516,445</b>	<b>452,309</b>
Commission and fee income	25,440	21,144	48,858	48,381
Commission and fee expense	(1,868)	(1,605)	(3,582)	(3,085)
<b>Net commission and fee income</b>	<b>23,572</b>	<b>19,539</b>	<b>45,276</b>	<b>45,296</b>
Gain from foreign exchange operations	2,933	420	4,517	2,147
<b>NET OPERATING INCOME</b>	<b>293,424</b>	<b>248,251</b>	<b>566,238</b>	<b>499,752</b>
General and administrative expenses	(47,874)	(52,533)	(82,169)	(82,363)
Depreciation and amortisation	(2,896)	(2,854)	(5,807)	(5,678)
Impairment of receivables and financing activities	(10,000)	(5,000)	(15,000)	(5,000)
Other income	--	25,228	--	25,228
<b>NET PROFIT FOR THE PERIOD BEFORE SHARE OF PROFIT OF HOLDERS IN UNRESTRICTED INVESTMENT DEPOSITS</b>	<b>232,654</b>	<b>213,092</b>	<b>463,262</b>	<b>431,939</b>
Less: Share of holders of unrestricted investment accounts in the net profit	(69,322)	(81,716)	(140,935)	(159,592)
<b>NET PROFIT FOR THE PERIOD DUE TO SHAREHOLDERS'</b>	<b>163,332</b>	<b>131,376</b>	<b>322,327</b>	<b>272,347</b>
<b>EARNINGS PER SHARE (BASIC AND DILUTED) (QR.)</b>	<b>1.11</b>	<b>0.95</b>	<b>2.19</b>	<b>1.96</b>

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