

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
QATAR FIRST BANK L.L.C (Public)
31 March 2021

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF QATAR FIRST BANK L.L.C. (PUBLIC)

Introduction

We have reviewed the interim condensed consolidated financial statements of Qatar First Bank L.L.C. (Public) ("the Bank") and its subsidiaries (collectively "the Group") as at 31 March 2021, comprising of the interim consolidated statement of financial position as at 31 March 2021 and the related interim consolidated statements of income for the three months period ended 31 March 2021, the related interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the three months period then ended, and the related explanatory notes.

The Board of Directors is responsible for the preparation and presentation of these interim condensed financial statements in accordance with Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI") as modified by the Qatar Financial Centre Regulatory Authority ("QFCRA"). 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 Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently, it 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 issued by the AAOIFI as modified by QFCRA.



Ahmed Sayed
of Ernst & Young
Auditor's Registration No. 326

Date: 12 April 2021
Doha



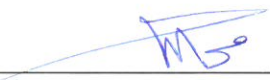
QATAR FIRST BANK L.L.C (Public)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 March 2021 (expressed in QAR'000)



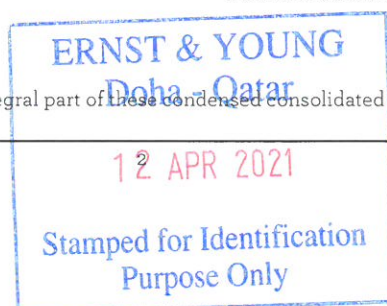
	31 March 2021 <i>Notes</i> (Reviewed)	31 December 2020 (Audited)
ASSETS		
Cash and bank balances	707,767	699,646
Investments carried at amortised cost	202,248	230,951
Investment in funds	61,654	-
Financing assets	4 450,648	472,563
Investments carried at fair value	5 280,819	176,394
Investments in real estate	14,812	14,812
Right-of-use asset	6 214,356	-
Fixed assets	1,226	1,314
Intangible assets	4,755	5,385
Assets held-for-sale	7 827,480	1,181,284
Other assets	35,886	56,803
TOTAL ASSETS	2,801,651	2,839,152
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS AND EQUITY		
Liabilities		
Financing liabilities	461,410	225,034
Customers' balances	140,671	82,239
Liabilities held-for-sale	7 434,521	602,261
Other liabilities	114,949	79,801
Total Liabilities	1,151,551	989,335
Equity of Unrestricted Investment Account Holders	1,128,245	1,147,453
Equity		
Share capital	8 700,000	700,000
Share premium	203	203
Investments fair value reserve	(857)	-
Accumulated losses	(203,270)	(223,827)
Total Equity Attributable to Shareholders of the Bank	496,076	476,376
Non-controlling interest	25,779	225,988
Total Equity	521,855	702,364
TOTAL LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS AND EQUITY	2,801,651	2,839,152

These interim condensed consolidated financial statements were authorized for issuance by the Board of Directors on 12 April 2021 and signed on its behalf by:


Chairman


Board Member

The attached notes 1 to 17 form an integral part of these condensed consolidated interim financial statements.



QATAR FIRST BANK L.L.C (Public)
CONSOLIDATED INCOME STATEMENT
For the three-month period ended 31 March 2021 (expressed in QAR'000)



		For the three-month period ended	
		31 March 2021 (Reviewed)	31 March 2020 (Reviewed)
CONTINUING OPERATIONS	Notes		
INCOME			
Income from financing assets		3,317	13,840
Fee income		2,302	13,989
Gain / (loss) on re-measurement of investments at fair value through income statement		516	(132,829)
Dividend income		925	620
Profit on investments carried at amortised cost		2,578	1,419
Income from placements with financial institutions		356	4,445
Gain on disposal of investments carried at amortised cost		780	-
Gain / (loss) on disposal of equity investments		66,917	3,340
Loss on early settlement of financing assets		-	(335)
Net foreign exchange (loss) / gain		(2,375)	11,805
Other income, net	9	7,654	1,683
Total Income / (Loss) Before Return To Unrestricted Investment Account Holders		82,970	(82,023)
Return to unrestricted investment account holders		(5,481)	(16,577)
TOTAL INCOME / (LOSS)		77,489	(98,600)
EXPENSES			
Staff costs		(15,953)	(8,555)
Financing costs		(1,967)	(473)
Depreciation and amortisation		(717)	(1,718)
Provision for impairment of fixed assets		-	(18,863)
Other operating expenses		(4,072)	(12,137)
TOTAL EXPENSES		(22,709)	(41,746)
Provision for impairment on financing assets, net	14	(15,520)	(49,457)
Provision for impairment on other financial assets, net		(6,249)	(2,789)
NET PROFIT / (LOSS) BEFORE INCOME TAX		33,011	(192,592)
Income tax expense		-	-
NET PROFIT / (LOSS) FROM CONTINUING OPERATIONS		33,011	(192,592)
DISCONTINUED OPERATIONS			
Income / (loss) from discontinued operations, net of tax		(12,196)	3,746
NET PROFIT / (LOSS) FOR THE PERIOD		20,815	(188,846)
Attributable to:			
Equity holders of the Bank		20,557	(191,561)
Non-controlling interest		258	2,715
		20,815	(188,846)
Basic/diluted earnings / (loss) per share from continuing operations - QAR		0.026	(0.275)
Basic/diluted earnings per share from discontinued operations - QAR		0.003	0.001
Basic/diluted loss per share -QAR	10	0.029	(0.274)

ERNST & YOUNG
Doha - Qatar

The attached notes 1 to 17 form an integral part of these condensed consolidated interim financial statements.

12 APR 2021

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QATAR FIRST BANK LLC (Public)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-month period ended 31 March 2021 (expressed in QAR'000)



	Share capital	Share premium	Investments fair value reserve	Accumulated losses	Total equity attributable to equity holders of the Bank	Non-controlling interests	Total equity
Balance at 1 January 2020	700,000	203	-	2,885	703,088	53,667	756,755
Net (loss) / profit for the period (Reviewed)	-	-	-	(191,561)	(191,561)	2,715	(188,846)
Net change in non-controlling interests due to:							
- Real Estate Structures (Reviewed)	-	-	-	-	-	(1,473)	(1,473)
Balance at 31 March 2020 (Reviewed)	700,000	203	-	(188,676)	511,527	54,909	566,436
Balance at 1 January 2021	700,000	203	-	(223,827)	476,376	225,988	702,364
Net profit for the period (Reviewed)	-	-	-	20,557	20,557	258	20,815
Fair value adjustments	-	-	(357)	-	(357)	-	(857)
Net change in non-controlling interests due to:							
- Real Estate Structures (Reviewed)	-	-	-	-	-	(200,467)	(200,467)
Balance at 31 March 2021 (Reviewed)	700,000	203	(357)	(203,270)	496,076	25,779	521,855

The attached notes 1 to 17 form an integral part of these condensed consolidated interim financial statements.

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Doha - Qatar

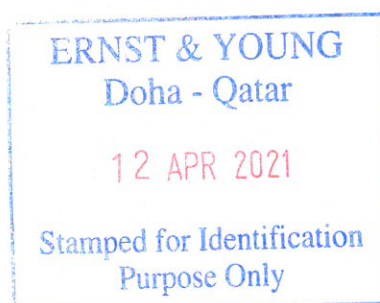
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QATAR FIRST BANK L.L.C (Public)
CONSOLIDATED STATEMENT OF CASH FLOWS
For the three-month period ended 31 March 2021 (expressed in QAR'000)



	For the three-month period ended	
	31 March 2021	31 March 2020
Notes	(Reviewed)	(Reviewed)
OPERATING ACTIVITIES		
Net profit / (loss) for the period	20,815	(188,846)
Adjustments for non-cash items		-
Depreciation, amortisation and impairment charge	717	20,581
Unrealised (gain) /loss on equity investments	(516)	132,829
Unrealised loss / (profit) on Sharia-compliant risk management instruments, net	14	(12,409)
Provision for impairment on financing assets, net	14 15,520	49,457
Provision for impairment on other financial assets	6,249	2,789
	<u>42,799</u>	<u>4,401</u>
Changes in:		
Investments carried at amortised cost	28,628	(1,348)
Investment in funds	(61,654)	-
Financing assets	6,395	47,732
Investments carried at fair value	(106,499)	687
Assets held-for-sale	350,196	35,633
Right-of-use asset	(54,356)	-
Other assets	20,917	28,368
Customers' balances	58,432	(130,474)
Liabilities held-for-sale	(167,740)	(49,892)
Other liabilities	34,302	(1,190)
Net cash from / (used in) operating activities	<u>151,420</u>	<u>(66,083)</u>
FINANCING ACTIVITIES		
Net change in financing liabilities	76,376	(135,051)
Net change in equity of unrestricted investment account holders	(19,208)	(92,141)
Net change in non-controlling interest	(200,467)	(1,473)
Net cash used in financing activities	<u>(143,299)</u>	<u>(228,665)</u>
Net increase / (decrease) in cash and cash equivalents	8,121	(294,748)
Cash and cash equivalents at the beginning of the period	699,646	1,220,988
Cash and cash equivalents at the end of the period	<u>707,767</u>	<u>926,240</u>



The attached notes 1 to 17 form an integral part of these condensed consolidated interim financial statements.

1. REPORTING ENTITY

Qatar First Bank L.L.C (Public) ("the Bank" or "the Parent") is an Islamic bank, which was established in the State of Qatar as a limited liability company under license No.00091, dated 4 September 2008, from the Qatar Financial Centre Authority. The Bank is authorized to conduct the following regulated activities by the Qatar Financial Centre Regulatory Authority (the "QFCRA"):

- Deposit taking;
- Providing credit facilities;
- Dealing in investments;
- Arranging deals in investments;
- Arranging credit facilities;
- Providing custody services;
- Arranging the provision of custody services;
- Managing investments;
- Advising on investments; and
- Operating a collective investment fund.

All the Bank's activities are regulated by the QFCRA and are conducted in accordance with Islamic Shari'a principles, as determined by the Shari'a Supervisory Board of the Bank and in accordance with the provisions of its Articles of Association. The Bank operates through its head office located on Suhaim bin Hamad Street, Doha, State of Qatar.

The Bank's issued shares were listed for trading on the Qatar Exchange effective from 27 April 2016 (ticker: "QFBQ").

The interim condensed consolidated financial statements of the Bank for the three-month period ended 31 March 2021 comprise of the Bank's and its subsidiaries' (together referred to as "the Group" and individually as "Group entities") results. The Parent Company / Ultimate Controlling Party of the Group is Qatar First Bank L.L.C (Public).

The Bank had the following subsidiaries as at 31 March 2021 and 31 December 2020:

Subsidiaries	Activity	Effective ownership as at		Year of incorporation	Country
		31 March 2021	31 December 2020		
Isnad Catering Services WLL	Catering	75.0%	75.0%	2012	Qatar
QFB Money Market Fund 1 Ltd.	Money market fund	100.0%	100.0%	2015	Cayman Islands
Astor Properties Finance Limited.*	Financing	29.0%	26.2%	2017	Jersey
Astor Properties Holdings Limited.*	Holding company	29.0%	26.2%	2017	Jersey
Umm Slal for Accommodation LLC	Construction	70.0%	70.0%	2017	Qatar
3130 Fairview GEG, LLC*	Owning and leasing real estate	97.0%	97.0%	2019	USA
Fairview Investment Corp.*	Leasing real estate	97.0%	97.0%	2019	USA
QFB-GEG Waterway 1 LLC*	Leasing real estate	93.0%	-	2021	USA
Waterway 1 Property Corp.*	Owning and leasing real estate	93.0%	-	2021	USA

*These subsidiaries related to investment products offered to customers. Refer to Note 7.1.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group have been prepared in accordance with Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI"), as amended by applicable provisions of QFCRA regulations. In line with the requirements of AAOIFI, for matters that are not covered by FAS, the Group uses the guidance from the relevant International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB"). Accordingly, the interim condensed consolidated financial statements have been prepared in accordance with the guidance provided by International Accounting Standard 34 - 'Interim Financial Reporting'.

The interim condensed consolidated financial statements do not contain all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2020. In addition, results for the three-month period ended 31 March 2021 are not necessarily indicative of results that may be expected for the financial year ending 31 December 2021.

The interim condensed consolidated financial statements have been prepared under the historical cost convention except for valuation of equity investments, investments in real estate and Sharia-compliant-risk management instruments, which are carried at fair value.

The interim condensed consolidated financial statements are presented in Qatari Riyals ("QAR"), which is the Bank's functional and presentational currency, and all values are rounded to the nearest QAR thousand except when otherwise indicated.

Judgements and estimates

The preparation of the 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.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are consistent with those applied to the annual consolidated financial statements as at 31 December 2020.

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 for the year ended 31 December 2020, except for FAS 32 "*Ijarah*" and debt-type investments at fair value through equity.

Set out below are the accounting policies adopted and applied in the current period:

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

- *Ijarah*

At inception of a contract, the Group assesses whether a contract is, or contains, an Ijarah based on if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and an Ijarah liability at the Ijarah commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the Ijarah liability adjusted for any prepaid and accrued Ijarah expenses. The right-of-use asset is then carried at fair value in line with its underlying asset. Any fair value adjustments are recognized in directly in the consolidated income statement.

The Ijarah liability is initially recognized net of (i) gross amount of total Ijarah rentals payable for the Ijarah term and (ii) related deferred Ijarah cost, being the difference between the gross Ijarah liability and the prime cost of right-of-use asset. Subsequently, net Ijarah liability is adjusted for the Ijarah payments made and amortization of deferred Ijarah cost.

Deferred Ijarah cost is amortized over the Ijarah term based on effective rate of return method to consolidated income statement within other operating expenses.

The Group has elected not to recognise right-of-use assets and Ijarah liabilities for Ijarah of low-value assets (where the Ijarah asset value is less than QAR 100,000) and short-term Ijarah (where the Ijarah term is less than 12 months).

- *Debt-type investments at fair value through equity*

Debt-type investments carried at fair value through equity are recognized initially at fair value. Any related transaction costs are charged to the consolidated income statement when incurred.

Subsequently, debt-type investments carried at fair value through equity are re-measured at fair value at the end of each reporting period and the resultant re-measurement gain or loss, if any, being the difference between the carrying amount and the fair value is directly recognized in equity under "investments fair value reserve".

These instruments are subject to impairment test at each reporting period and related impairment charge/recovery is recognized in the consolidated income statement.

When a debt-type investment measured at fair value through equity is derecognised, the cumulative gain or loss previously recognized in the "investments fair value reserve" is reclassified from equity to the consolidated income statement.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1. New standards, amendments and interpretations

3.1.1. *New accounting standards, amendments and interpretations that are issued and effective from 1 January 2021*

- *FAS 32 – Ijarah*

AAOIFI has issued FAS 32 “Ijarah” in 2020. This standard supersedes the existing FAS 8 “Ijarah and Ijarah Muntahia Bittamleek”. The objective of this standard is set out principles for the classification, recognition, measurement, presentation and disclosure for Ijarah (asset Ijarah, including different forms of Ijarah Muntahia Bittamleek) transactions entered into by the Islamic Financial Institutions as a lessor and lessee.

This new standard aims to address the issues faced by the Islamic finance industry in relation to accounting and financial reporting as well as to improve the existing treatments in line with the global practices. This standard shall be effective for the financial periods beginning on or after 1 January 2021 with early adoption permitted. Impact of this standard is reflected in these financial statements.

- *FAS 36 – First Time Adoption of AAOIFI Financial Accounting Standards*

The objective of this standard is to prescribe principles applicable to an Islamic financial institution (the institution) adopting AAOIFI financial accounting standards (FASs) or applying them for the first time with regard to the transitional process, as well as, to specify financial reporting requirements applicable to the first financial statements. There is no impact of this standard to these financial statements.

3.1.2. *New standards, amendments and interpretations issued but not yet effective and not early adopted*

- *FAS 37 – Financial Reporting by Waqf Institutions*

The objective of this standard is to establish principles of financial reporting for Waqf institutions, which are established and operate in line with Shari'ah principles and rules. This standard shall be applicable on all types of Waqf institutions and other institutions constituted on the concept of Waqf, and operating in line with Shari'ah principles and rules, irrespective of their legal status, including virtual Waqf institutions.

This standard shall be effective for the financial periods beginning on or after 1 January 2022 with early adoption permitted. Since the Group does not have waqf activities, there is no impact of this standard to the financial statements of the Group.

- *FAS 38 – Wa'ad, Khiyar and Tahawwut*

The objective of this standard is to prescribe the appropriate accounting and reporting principles for recognition, measurement and disclosures in relation to Shari'ah compliant Wa'ad (promise), Khiyar (option) and Tahawwut (hedging) arrangements for Islamic financial institutions (IFIs). This standard applies to accounting and financial reporting for all transactions involving Wa'ad, Khiyar or Tahawwut arrangements carried out under Shari'ah principles and rules, as provided in this standard.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

The standard classifies Wa'ad and Khiyar arrangements into following categories and provides related accounting and disclosure requirements:

- a. Ancillary Wa'ad or Khiyar – where the Wa'ad or Khiyar is associated with an Islamic finance arrangement, and is related to the structure of the transaction, e.g. a promise by the purchase orderer attached to a Murabaha transaction or a promise to purchase after the end of the Ijarah term in an Ijarah Muntahia Bittamleek transaction or option of seeing in a sale transaction;
- b. Product Wa'ad or Khiyar – where the Wa'ad or Khiyar is used as a stand-alone Islamic finance arrangement in itself e.g. foreign exchange forward promise or an option of cancellation of sale with Arboun. This may, inter-alia, take the following forms, in line with Shari'ah principles and rules:
 - i. promise to make a sale contract, or promise to enter into an Ijarah transactions;
 - ii. option for revocation of sale contract – with or without Arboun;
 - iii. Re-purchase option (RePO) – through a permissible Wa'ad or Khiyar; and
 - iv. Tahawwut arrangement – whereby a Wa'ad or Khiyar, or a series of Wa'ad and Khiyar is used for hedging arrangement.

This standard shall be effective for the financial statements beginning on or after 1 January 2022. Earlier application of the standard is permitted.

The management is assessing the impact of adoption of FAS 38 on Group's consolidated financial statements.

4. FINANCING ASSETS

	31 March 2021 <i>Notes</i> (Reviewed)	31 December 2020 (Audited)
Murabaha financing	655,848	667,189
Deferred investment sales	218,400	218,400
Others	34,397	34,281
Total financing assets	908,645	919,870
Deferred profit	(38,550)	(43,380)
Provision for impairment on financing assets	¹⁴ (419,447)	(403,927)
Net financing assets	450,648	472,563

5. INVESTMENTS CARRIED AT FAIR VALUE

		31 March 2021 (Reviewed)	31 December 2020 (Audited)
Investments at fair value through equity	5.1	156,674	50,526
Investments at fair value through income statement		<u>124,145</u>	<u>125,868</u>
		<u>280,819</u>	<u>176,394</u>

Gain on re-measurement of investments at fair value through income statement for the three-month period ended 31 March 2021 was QAR 0.5 million (for the three-month period ended 31 March 2020: a loss of QAR 132.8 million).

5.1. Investments at fair value through equity

Investments at fair value through equity comprise of investments as follows:

		31 March 2021 (Reviewed)	31 December 2020 (Audited)
Equity-type investments		67,270	50,526
Other investments*		<u>89,404</u>	<u>-</u>
		<u>156,674</u>	<u>50,526</u>

*Other investments include debt-type sukuk investments, which are classified as at fair value through equity in line with the business model of the Bank. As at 31 March 2021, the Bank recognized negative fair value adjustment of QAR 0.9 million related to these sukuk investments.

6. RIGHT-OF-USE ASSET

During the period, the Bank entered into an Ijarah Agreement with transfer of ownership through gift with a local bank to acquire Lulu Messila hypermarket building. The property, thereafter, is subleased to third company. In line with this transaction, the Group recognized QAR 214.4 million right-of-use asset and related Ijara payable of QAR 160 million in its balance sheet and rental income of QAR 3.5 million and Ijara expense of QAR 1.4 million in its income statement for the three-month period ended 31 March 2021.

7. ASSETS AND LIABILITIES HELD-FOR-SALE

		31 March 2021 (Reviewed)	31 December 2020 (Audited)
Assets of disposal groups classified as held-for-sale	7.1	802,980	1,083,312
Equity investments held-for-sale	7.2	<u>24,500</u>	<u>97,972</u>
Total		<u>827,480</u>	<u>1,181,284</u>
Liabilities of disposal group classified as held-for-sale	7.1	<u>434,521</u>	<u>602,261</u>

7 ASSETS AND LIABILITIES HELD-FOR-SALE (Continued)

7.1. Assets and liabilities of disposal groups classified as held-for-sale

UK Real Estate Structures

During 2017, the Bank entered into a structure to invest indirectly to acquire 100% in real estate property in the United Kingdom (the "UK Real Estate Structure").

The real estate was financed partly by the Bank through a murabaha contract with an option to acquire the underlying real estate. As at 31 March 2021, the Bank sold a 71% stake out of 100% in the UK Real Estate Structure to its investors.

US Real Estate Structures

The Bank entered into various structures to invest in real estates within United States of America: (i) during 2019 indirectly to acquire 97% in real estate property (the "Fairview"); (ii) during December 2020 to acquire 95% in real estate property ("Grand 2 at Papago Park Center"); and (iii) during period ended 31 March 2021 to acquire 93% stake in real estate property (the "WaterWay") (altogether referred as "US Real Estate Structures"). These US real estate properties thereafter are leased under Ijarah terms.

As at 31 March 2021 the Bank sold a 93% stake out of 98% in the Grand 2 at Papago Park Center to its investors. As a result of ceasing its control over Grand 2 at Papago Park Center, the Bank reclassified remaining stake of QAR 16.7 million to investments at fair value through equity.

Since the Bank is currently in the process of marketing the UK and US Real Estate Structures, the consolidated related assets and liabilities thereof with carrying value of QAR 765.2 million and QAR 382.4 million have been presented in the consolidated financial statements as part of assets held-for-sale of QAR 802.9 million and liabilities held-for sale of QAR 434.5 million, respectively.

7.2. Equity investments held-for-sale

During the period ended 31 March 2021, the Bank disposed its two equity investments with total carrying values of QAR 72.8 million and recognized a gain on disposal of equity investments of QAR 53 million.

As at 31 March 2021, equity investments held-for-sales of QAR 24.5 million represents private equity investment whose carrying value adjusted by QAR 0.7 million during the period to reflect its current fair value.

8. SHARE CAPITAL

	31 March 2021 (Reviewed)	31 December 2020 (Audited)
Authorized		
2,500,000,000 ordinary shares of QAR 1 each		
(31 December 2019: 2,500,000,000 ordinary shares of QAR 1 each)	<u>2,500,000</u>	<u>2,500,000</u>
Issued and paid		
700,000,000 ordinary shares of QAR 1 each		
(31 December 2019: 700,000,000 ordinary shares of QAR 1 each)	<u>700,000</u>	<u>700,000</u>

9. OTHER INCOME, NET

	For the three-month period ended	
	31 March 2021 (Reviewed)	31 March 2020 (Reviewed)
Rental income	3,528	1,673
Brokerage and other commission income	4,126	10
	<u>7,654</u>	<u>1,683</u>

10. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic (loss) / earnings per share is based on the net (loss) / profit attributable to the Bank's shareholders and the weighted average number of shares outstanding during the period:

	For the three-month period ended	
	31 March 2021 (Reviewed)	31 March 2020 (Reviewed)
<i>Basic earnings per share</i>		
Net profit / (loss) attributable to the equity holders of the Bank from continuing operations	18,011	(192,592)
Net profit attributable to the equity holders of the Bank from discontinued operations	2,546	1,031
Net profit / (loss) attributable to the equity holders of the Bank	<u>20,557</u>	<u>(191,561)</u>
Total weighted average number of shares (thousand)	700,000	700,000
Basic earnings / (loss) per share from continuing operations - QAR	0.026	(0.275)
Basic earnings per share from discontinued operations - QAR	0.003	0.001
Basic loss per share - QAR	<u>0.029</u>	<u>(0.274)</u>

11. CONTINGENT LIABILITIES

The Group had the following contingent liabilities at the period / year-end:

	31 March 2021 (Reviewed)	31 December 2020 (Audited)
Letters of guarantee	8,388	7,000
Unutilised credit facilities	100,000	100,000
	<u>108,388</u>	<u>107,000</u>

Contingent liabilities related to Sharia-compliant-risk-management instruments, representing notional amounts, amounted to QAR 701 million (31 December 2020: QAR 720 million).

12. COMMITMENTS

	31 March 2021 (Reviewed)	31 December 2020 (Audited)
Commitment for operating lease		
No later than one year	816	877
Later than one year	1,562	1,052
	<u>2,378</u>	<u>1,929</u>
Investment related commitment	7,389	7,389
Commitment for operating and capital expenditure	-	151
	<u>9,767</u>	<u>9,469</u>

13. RELATED PARTIES TRANSACTIONS AND BALANCES

Balances and transactions in respect of related parties included in the interim condensed consolidated financial statements are as follows:

	31 March 2021		
	Affiliated entities/ directors (Reviewed)	Associates (Reviewed)	Total (Reviewed)
<i>a) Consolidated statement of financial position</i>			
Financing assets	-	15,538	15,538
Other assets	9,100	-	9,100
Customers' balances	9,187	-	9,187
Liabilities held-for-sale	-	17,779	17,779
<i>b) Consolidated income statement</i>			
Provision for impairment of financing assets	-	(67)	(67)
Other operating expenses	(546)	-	(546)
<i>c) Off balance sheet instruments</i>			
Unutilised credit facilities	100,000	-	100,000

The balances of related parties as at 31 December 2020 are as follows:

	31 December 2020		
	Affiliated entities/ directors (Audited)	Associates (Audited)	Total (Audited)
<i>a) Consolidated statement of financial position</i>			
Financing assets	-	15,079	15,079
Other assets	3,642	-	3,642
Customers' balances	105	-	105
Liabilities held-for-sale	-	17,779	17,779
<i>b) Off balance sheet instruments</i>			
Unutilised credit facilities	100,000	-	100,000

13 RELATED PARTIES TRANSACTIONS AND BALANCES (Continued)

Transactions with related parties for the corresponding period of three-month period ended 31 March 2020 are as follows:

	31 March 2020	
	Affiliated entities/ directors (Reviewed)	Associates (Reviewed) Total (Reviewed)
<i>c) Consolidated income statement</i>		
Income from financing assets	113	- 113
Dividend income	620	- 620
Provision for impairment of financing assets	-	(20,475) (20,475)
Key management compensation is presented below:		
	31 March 2021 (Reviewed)	31 March 2020 (Reviewed)
<i>Compensation of key management personnel</i>		
Senior management personnel	1,315	1,256
Shari'a Supervisory Board remuneration	120	120
	<u>1,435</u>	<u>1,376</u>

14. FINANCIAL RISK MANAGEMENT

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements; they should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2020.

Exposures

	Stage 1	Stage 2	Stage 3	Total
<i>As at 31 March 2021 (Reviewed)</i>				
Cash and bank balances	710,286	-	3,640	713,926
Investments carried at amortised cost	92,058	122,037	-	214,095
Investments carried at fair value subject to credit risk	91,137	-	-	91,137
Financing assets	125,847	401,468	342,780	870,095
Off balance sheet instruments, subject to credit risk	107,000	1,388	-	108,388
	<u>1,126,328</u>	<u>524,893</u>	<u>346,420</u>	<u>1,997,641</u>
<i>As at 31 December 2020 (Audited)</i>				
Cash and bank balances	702,196	-	-	702,196
Investments carried at amortised cost	122,035	120,688	-	242,723
Financing assets	133,726	399,802	342,962	876,490
Off balance sheet instruments, subject to credit risk	107,000	-	-	107,000
	<u>1,064,957</u>	<u>520,490</u>	<u>342,962</u>	<u>1,928,409</u>

Loss allowance

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

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14 FINANCIAL RISK MANAGEMENT (Continued)

	31 March 2021				31 December 2020			
	Stage 1 (Reviewed)	Stage 2 (Reviewed)	Stage 3 (Reviewed)	Total (Reviewed)	Stage 1 (Audited)	Stage 2 (Audited)	Stage 3 (Audited)	Total (Audited)
Cash and bank balances								
Balance at 1 January	2,550	-	-	2,550	25	-	-	25
Impairment allowance, net	(31)	-	3,640	3,609	2,525	-	-	2,525
Balance at end of the period/year	2,519	-	3,640	6,159	2,550	-	-	2,550
Investments carried at amortised cost								
Balance at 1 January	1,578	10,194	-	11,772	-	10,194	-	10,194
Impairment allowance, net	75	-	-	75	1,578	-	-	1,578
Balance at end of the period/year	1,653	10,194	-	11,847	1,578	10,194	-	11,772
Investment at fair value subject to credit risk								
Balance at 1 January	-	-	-	-	-	-	-	-
Impairment allowance, net	1,733	-	-	1,733	-	-	-	-
Balance at end of the period/year	1,733	-	-	1,733	-	-	-	-
Financing assets								
Balance at 1 January	3,393	94,246	306,288	403,927	1,333	43,608	309,134	354,075
Write-off of provision	-	-	-	-	-	-	(17,006)	(17,006)
Transfer to on balance sheet	-	-	-	-	-	-	7,436	7,436
Impairment allowance, net	91	8,735	6,694	15,520	2,060	50,638	6,724	59,422
Balance at end of the period/year	3,484	102,981	312,982	419,447	3,393	94,246	306,288	403,927
Other assets								
Balance at 1 January	-	-	13,075	13,075	-	-	7,659	7,659
Write-off of provision	-	-	(416)	(416)	-	-	-	-
Impairment allowance, net	-	-	-	-	-	-	5,416	5,416
Balance at end of the year	-	-	12,659	12,659	-	-	13,075	13,075
Off balance sheet instruments, subject to credit risk								
Balance at 1 January	1,012	-	-	1,012	294	416	7,436	8,146
Impairment allowance, net	-	832	-	832	718	(416)	-	302
Transfer to on balance sheet	-	-	-	-	-	-	(7,436)	(7,436)
Balance at end of the period/year	1,012	832	-	1,844	1,012	-	-	1,012

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

As at 31 March 2021 and 31 December 2020, fair value of financial instruments approximated their carrying amounts except for investments carried at amortised cost whose fair value was QAR 206 million (31 December 2020: QAR 238.2 million).

15.1. Fair value hierarchy

Fair value measurements are analysed by level in the fair value hierarchy as follows:

	Level 1	Level 2	Level 3	Total
<i>31 March 2021 (Reviewed)</i>				
Investments carried at fair value				
- at fair value through equity	-	89,404	67,270	156,674
- at fair value through income statement	-	-	124,145	124,145
Net gains and losses included in the condensed consolidated statement of changes in equity	-	(857)	-	(857)
Net gains and losses, recognised through consolidated income statement	-	-	516	516
	Level 1	Level 2	Level 3	Total
<i>31 December 2020 (Audited)</i>				
Equity investments				
- at fair value through equity	-	-	50,526	50,526
- at fair value through income statement	2,978	-	122,890	125,868
<i>31 March 2020 (Reviewed)</i>				
Net gains and losses included in the condensed consolidated statement of changes in equity	-	-	-	-
Net gains and losses, recognised through consolidated income statement	(847)	-	(131,982)	(132,829)

In additions to above financial instruments, as at 31 March 2021 the Group had Sharia-compliant-risk management instruments whose fair value was negative QAR 19.1 million (31 December 2020: negative QAR 19.3 million), derived using Level 2 fair value hierarchy. The valuation techniques and key assumptions have remained consistent with those disclosed in the annual consolidated financial statements as at and for the year ended 31 December 2020.

15 FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

15.2. Movements in level 3 financial instruments

The following table shows the reconciliation of the opening and closing amount of Level 3 investments, which are recorded at fair value:

	At 1 January 2021	Total losses recorded in consolidated income statement	Total gains / (losses) recorded in equity statement	Additions	At 31 March 2021
<i>Investments carried at fair value</i>	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
- at fair value through equity	50,526	(1,733)	(857)	108,738	156,674
- at fair value through income statement	122,890	1,255	-	-	124,145
	<u>173,416</u>	<u>(478)</u>	<u>(857)</u>	<u>108,738</u>	<u>280,819</u>

Losses of investment at fair value through equity of QAR 1.7 million represents provision for impairment, refer to Note 14.

	At 1 January 2020	Total gains recorded in consolidated income statement	Additions	Sales/ transfers	At 31 December 2020
<i>Investments carried at fair value</i>	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
<i>Equity investments</i>					
- at fair value through equity	38,106	-	6,064	6,356	50,526
- at fair value through income statement	316,157	(120,467)	-	(72,800)	122,890
	<u>354,263</u>	<u>(120,467)</u>	<u>6,064</u>	<u>(66,444)</u>	<u>173,416</u>

16. SEGMENT INFORMATION

Below is the information about operating segments:

	31 March 2021		31 March 2020	
	Segment income	Segment profit / (loss)	Segment income	Segment loss
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Alternative Investments	53,782	53,154	(118,688)	(141,727)
Private Bank	23,707	(14,783)	18,415	(34,699)
Other	-	(17,556)	1,673	(12,420)
Total	<u>77,489</u>	<u>20,815</u>	<u>(98,600)</u>	<u>(188,846)</u>

17. 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 Central Banks and Sovereign Governments have announced monetary and fiscal measures to mitigate the possible adverse implications.

The Group is closely monitoring the situation and has activated its business continuity planning to manage the potential business disruption due to the outbreak of COVID 19. The impact of outbreak may have on its operations and financial performance is being continually assessed.

The Group has considered the potential impacts of COVID 19, factored the Fiscal and Monetary support available, credit strength of the borrowers, current economic disruptions in determining ECL requirements. In management's best assessment, risks are sufficiently covered at this point in time. This volatility has been reflected through updating the macro-economic factors, adjusting the method of scenario construction and the underlying weightages assigned to these scenarios.

The weightings assigned to each macro-economic scenario at the Bank level are based on the CCI, and as at 31 March 2021, were 30% to the Base Case, 65% to Downside and 5% to the Upside Case. (31 December 2020: 30% to the Base Case, 65% to Downside and 5% to Upside Case). The situation is fast evolving and accordingly any upside or downside scenarios will be reassessed should the conditions change.

The Group also has considered the potential impacts of COVID 19 to its equity investments revisiting the underlying assumptions used in determining the fair values. The management will continuously monitor the ongoing situation as markets remain volatile and the recorded amounts may remain sensitive to market fluctuations.

The management will continuously monitor the ongoing situation and continue to provide conservatively for any downside risks. The Group has considered the potential impacts of the current economic volatility in determining the reported amounts of the Group's financial and non-financial assets as at 31 March 2021. However, market remains volatile and the recorded amounts may remain sensitive to market fluctuations.