INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
QATAR FIRST BANK L.L.C (Public)
30 June 2021

CONTENTS

Building a better working world

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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 30 June 2021, comprising of the interim consolidated statement of financial position as at 30 June 2021 and the related interim consolidated statements of income for the three months and six months period ended 30 June 2021, the related interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the three months and six 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
Ahmed Sayed
of Ernst and Young
Auditor's Registration No. 326

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Date: 11 August 2021
Doha

30 June 2021 (expressed in QAR'000)

QFB

	Notes	30 June 2021 (Reviewed)	31 December 2020 (Audited)
ASSETS			
Cash and bank balances		746,401	699,646
Investments carried at amortised cost		83,582	230,951
Investment in funds carried at fair value		87,267	-
Financing assets	4	440,733	472,563
Investments carried at fair value	5	360,063	176,394
Investments in real estate		14,812	14,812
Right-of-use asset	6	214,356	-
Fixed assets		1,101	1,314
Intangible assets		4,464	5,385
Assets held-for-sale	7	863,215	1,181,284
Other assets		13,170	56,803
TOTAL ASSETS		2,829,164	2,839,152
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS AND EQUITY			
Liabilities			
Financing liabilities		499,225	225,034
Customers' balances		241,968	82,239
Liabilities held-for-sale	7	468,115	602,261
Other liabilities		78,065	79,801
Total Liabilities		1,287,373	989,335
Equity of Unrestricted Investment Account Holders		985,049	1,147,453
Equity			
Share capital	8	700,000	700,000
Share premium		203	203
Investments fair value reserve		4,732	-
Accumulated losses		(182,828)	(223,827)
Total Equity Attributable to Shareholders of the Bank		522,107	476,376
Non-controlling interest		34,635	225,988
Total Equity		556,742	702,364
TOTAL LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS AND EQUITY		2,829,164	2,839,152

These interim condensed consolidated financial statements were authorized for issuance by the Board of Directors on 11 August 2021 and signed on its behalf by:

Chairman

Board Member

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Doha - Qatar
11 AUG 2021
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CONSOLIDATED INCOME STATEMENT

For the six-month period ended 30 June 2021 (expressed in QAR'000)

بنك قطر الاول
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	Notes	For the three-month period ended		For the six-month period ended	
		30 June 2021 (Reviewed)	30 June 2020 (Reviewed)	30 June 2021 (Reviewed)	30 June 2020 (Reviewed)
CONTINUING OPERATIONS					
INCOME					
Income from financing assets		4,087	11,665	7,404	25,505
Fee income		4,305	509	6,607	14,498
Gain / (loss) on re-measurement of investments at fair value through income statement		1,082	273	1,598	(132,556)
Dividend income		3,035	1,376	3,960	1,996
Profit on investments carried at amortised cost		3,218	1,465	5,796	2,884
Income from placements with financial institutions		607	1,610	963	6,055
Gain on disposal of investments carried at amortised cost		8	-	788	-
Gain / (loss) on disposal of equity investments		17,413	-	84,330	3,340
Loss on early settlement of financing assets		-	-	-	(335)
Net foreign exchange (loss) / gain		(1,931)	(3,077)	(4,306)	8,728
Other income, net	9	2,980	677	10,634	2,360
Total (Loss) / Income Before Return To Unrestricted Investment Account Holders		34,804	14,498	117,774	(67,525)
Return to unrestricted investment account holders		(5,066)	(14,076)	(10,547)	(30,653)
TOTAL INCOME / (LOSS)		29,738	422	107,227	(98,178)
EXPENSES					
Staff costs		(11,514)	(10,157)	(27,467)	(18,712)
Financing costs		(2,096)	-	(4,063)	(473)
Depreciation and amortisation		(728)	(782)	(1,445)	(2,500)
Provision for impairment of fixed assets		-	-	-	(18,863)
Other operating expenses		(4,549)	(11,249)	(8,621)	(23,386)
TOTAL EXPENSES		(18,887)	(22,188)	(41,596)	(63,934)
Recovery of / (provision for) impairment on financing assets, net	14	1,949	5,854	(13,571)	(43,603)
Recovery of / (provision for) / impairment on other financial assets, net		5,286	(153)	(963)	(2,942)
NET PROFIT / (LOSS) BEFORE INCOME TAX		18,086	(16,065)	51,097	(208,657)
Income tax expense		-	-	-	-
NET PROFIT / (LOSS) FROM CONTINUING OPERATIONS		18,086	(16,065)	51,097	(208,657)
DISCONTINUED OPERATIONS			-		
Income / (loss) from discontinued operations, net of tax		3,827	2,669	(8,369)	6,415
NET PROFIT / (LOSS) FOR THE PERIOD		21,913	(13,396)	42,728	(202,242)
Attributable to:					
Equity holders of the Bank		20,442	(16,095)	40,999	(207,656)
Non-controlling interest		1,471	2,699	1,729	5,414
		21,913	(13,396)	42,728	(202,242)
Basic/diluted earnings / (loss) per share from continuing operations - QAR		0.028	(0.023)	0.055	(0.298)
Basic/diluted earnings / (loss) per share from discontinued operations - QAR		0.001	-	0.004	0.001
Basic/diluted loss per share -QAR	10	0.029	(0.023)	0.059	(0.297)

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six-month period ended 30 June 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)	-	-	-	(207,656)	(207,656)	5,414	(202,242)
Net change in non-controlling interests due to:							
- Real Estate Structures (Reviewed)	-	-	-	-	-	1,572	1,572
Balance at 30 June 2020 (Reviewed)	700,000	203	-	(204,771)	495,432	60,653	556,085
Balance at 1 January 2021	**700,000**	**203**	**-**	**(223,827)**	**476,376**	**225,988**	**702,364**
Net profit for the period (Reviewed)	-	-	-	40,999	40,999	1,729	42,728
Fair value adjustments	-	-	4,732	-	4,732	-	4,732
Net change in non-controlling interests due to:							
- Real Estate Structures (Reviewed)	-	-	-	-	-	(193,082)	(193,082)
Balance at 30 June 2021 (Reviewed)	700,000	203	4,732	(182,828)	522,107	34,635	556,742

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

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For the six-month period ended 30 June 2021 (expressed in QAR'000)

	Notes	For the six-month period ended 30 June 2021 (Reviewed)	30 June 2020 (Reviewed)
OPERATING ACTIVITIES			
Net profit / (loss) for the period		42,728	(202,242)
Adjustments for non-cash items			
Depreciation, amortisation and impairment charge		1,445	21,363
Unrealised (gain) /loss on equity investments		(1,598)	132,556
Unrealised loss / (profit) on Sharia-compliant risk management instruments, net		(20,852)	(10,541)
Provision for impairment on financing assets, net	14	13,571	43,603
Provision for impairment on other financial assets		963	2,942
		36,257	(12,319)
Changes in:			
Investments carried at amortised cost		157,250	(7,159)
Investment in funds carried at fair value		(87,267)	-
Financing assets		18,259	410,511
Investments carried at fair value		(184,505)	687
Assets held-for-sale		314,482	(93,620)
Right-of-use asset		(54,356)	-
Other assets		43,633	(24,900)
Customers' balances		159,729	(107,324)
Liabilities held-for-sale		(134,146)	(49,396)
Other liabilities		19,026	(7,130)
Net cash from operating activities		288,362	109,350
INVESTING ACTIVITY			
Purchase of fixed and intangible assets		(312)	(15)
Net cash used in investing activity		(312)	(15)
FINANCING ACTIVITIES			
Net change in financing liabilities		114,191	(135,051)
Net change in equity of unrestricted investment account holders		(162,404)	(158,057)
Net change in non-controlling interest		(193,082)	1,572
Net cash used in financing activities		(241,295)	(291,536)
Net increase / (decrease) in cash and cash equivalents		46,755	(182,201)
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		746,401	1,038,787

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

As at and for the six-month period ended 30 June 2021 (expressed in QAR'000)

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 six-month period ended 30 June 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 30 June 2021 and 31 December 2020:

		Effective ownership as at		Year of	
Subsidiaries	**Activity**	**30 June 2021**	31 December 2020	**incorpo-ration**	**Country**
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%**	29.0%	2017	Jersey
Astor Properties Holdings Limited.*	Holding company	**29.0%**	29.0%	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 APEX The Grand 2 Papago LLC*	Owning and leasing real estate	-	28.5%	2020	USA
The Grand 2 Papago Property Company LLC*	Leasing real estate	-	28.5%	2020	USA
QFB-GEG MK 1 LLC*	Leasing real estate	**87.7%**	-	2021	USA
MK 1 Property Corp.*	Owning and leasing real estate	**87.7%**	-	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 six-month period ended 30 June 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 investments carried at fair value, 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.

- *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".

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 is effective for the financial periods beginning on or after 1 January 2021. 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 Insititutions*

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 any current waqf activities, no impact is expected of this standard to the financials 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.

As at and for the six-month period ended 30 June 2021 (expressed in QAR'000)

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

	Notes	**30 June 2021 (Reviewed)**	31 December 2020 (Audited)
Murabaha financing		**648,522**	667,189
Deferred investment sales		**218,400**	218,400
Others		**36,052**	34,281
Total financing assets		**902,974**	919,870
Deferred profit		**(44,743)**	(43,380)
Provision for impairment on financing assets	*14*	**(417,498)**	(403,927)
Net financing assets		**440,733**	472,563

As at and for the six-month period ended 30 June 2021 (expressed in QAR'000)

5. INVESTMENTS CARRIED AT FAIR VALUE

	Note	30 June 2021 (Reviewed)	31 December 2020 (Audited)
Investments at fair value through equity	*5.1*	234,970	50,526
Investments at fair value through income statement		125,093	125,868
		360,063	176,394

Gain on re-measurement of investments at fair value through income statement for the six-month period ended 30 June 2021 was QAR 1.6 million (for the six-month period ended 30 June 2020: a loss of QAR 132.6 million).

5.1. Investments at fair value through equity

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

	30 June 2021 (Reviewed)	31 December 2020 (Audited)
Equity-type investments	67,270	50,526
Other investments*	167,700	-
	234,970	50,526

*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 30 June 2021, the Bank recognised positive fair value adjustment of QAR 4.7 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 7 million and Ijara expense of QAR 2.8 million in its income statement for the six-month period ended 30 June 2021.

7. ASSETS AND LIABILITIES HELD-FOR-SALE

	Notes	30 June 2021 (Reviewed)	31 December 2020 (Audited)
Assets of disposal groups classified as held-for-sale	*7.1*	840,710	1,083,312
Equity investments held-for-sale	*7.2*	22,505	97,972
Total		863,215	1,181,284
Liabilities of disposal group classified as held-for-sale	*7.1*	468,115	602,261

As at and for the six-month period ended 30 June 2021 (expressed in QAR'000)

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 30 June 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"); (iii) during period ended 30 June 2021 to acquire 93% stake in real estate property (the "WaterWay") and 87.7% stake in real estate property (the "Fortune 10 Healthcare Company Headquarters") (altogether referred as "US Real Estate Structures"). These US real estate properties thereafter are leased under Ijarah terms.

As at 30 June 2021 the Bank sold a 93% stake out of 98% in the Grand 2 at Papago Park Center and 81% out of 93% in WaterWay to its investors. As a result of ceasing its control over Grand 2 at Papago Park Center and WaterWay, the Bank reclassified remaining stake of QAR 16.7 million to investments at fair value through equity and QAR 22.5 million to equity investments held-for-sale, respectively and derecognised related non-controlling interest of QAR 211 million in these financial statements.

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 803 million and QAR 415.9 million have been presented in the consolidated financial statements as part of assets held-for-sale of QAR 840.7 million and liabilities held-for sale of QAR 468.1 million, respectively.

7.2. Equity investments held-for-sale

During the period ended 30 June 2021, the Bank disposed its three equity investments with total carrying values of QAR 97.3 million and recognized a gain on disposal of equity investments of QAR 53 million.

As at 30 June 2021, equity investments held-for-sale of QAR 22.5 million represents unsold portion of investment in Waterway as explained in Note 7.1.

8. SHARE CAPITAL

	30 June 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)	2,500,000	2,500,000
Issued and paid		
700,000,000 ordinary shares of QAR 1 each (31 December 2019: 700,000,000 ordinary shares of QAR 1 each)	700,000	700,000

9. OTHER INCOME, NET

	For the six-month period ended	
	30 June 2021 (Reviewed)	30 June 2020 (Reviewed)
Rental income	7,055	2,962
Brokerage and other income / (loss)	3,579	(602)
	10,634	2,360

10. BASIC AND DILUTED EARNINGS PER SHARE

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

	For the six-month period ended	
	30 June 2021 (Reviewed)	30 June 2020 (Reviewed)
Basic earnings per share		
Net profit / (loss) attributable to the equity holders of the Bank from continuing operations	38,575	(208,657)
Net profit attributable to the equity holders of the Bank from discontinued operations	2,424	1,001
Net profit / (loss) attributable to the equity holders of the Bank	40,999	(207,656)
Total weighted average number of shares (thousand)	700,000	700,000
Basic earnings / (loss) per share from continuing operations - QAR	0.055	(0.298)
Basic earnings per share from discontinued operations - QAR	0.004	0.001
Basic earnings / (loss) per share - QAR	0.059	(0.297)

11. CONTINGENT LIABILITIES

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

	30 June 2021 (Reviewed)	31 December 2020 (Audited)
Letters of guarantee	3,000	7,000
Unutilised credit facilities	100,000	100,000
	103,000	107,000

Contingent liabilities related to Sharia-compliant-risk-management instruments, representing notional amounts, amounted to QAR 519 million (31 December 2020: QAR 720 million).

As at and for the six-month period ended 30 June 2021 (expressed in QAR'000)

12. COMMITMENTS

	30 June 2021 (Reviewed)	31 December 2020 (Audited)
Commitment for operating lease		
No later than one year	1,229	877
Later than one year	842	1,052
	2,071	1,929
Investment related commitment	-	7,389
Commitment for operating and capital expenditure	-	151
	2,071	9,469

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:

	30 June 2021		
	Associates (Reviewed)	Other* (Reviewed)	Total (Reviewed)
a) Consolidated statement of financial position			
Financing assets	15,885	-	15,885
Other assets	-	9,100	9,100
Customers' balances	-	9,186	9,186
Liabilities held-for-sale	17,779	-	17,779
b) Consolidated income statement			
Provision for impairment of financing assets	(118)	-	(118)
Other operating expenses	-	(1,092)	(1,092)
c) Off balance sheet instruments			
Unutilised credit facilities	-	100,000	100,000
Assets under management	-	14,560	14,560

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

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

*Other related parties include affiliated parties of the board members and senior management.

As at and for the six-month period ended 30 June 2021 (expressed in QAR'000)

13 RELATED PARTIES TRANSACTIONS AND BALANCES (Continued)

Transactions with related parties for the corresponding period of six-month period ended 30 June 2020 are as follows:

	30 June 2020		
	Associates (Reviewed)	Other* (Reviewed)	Total (Reviewed)
c) Consolidated income statement			
Income from financing assets	-	113	113
Dividend income	-	1,996	1,996
Provision for impairment of financing assets	(20,526)	-	(20,526)
Other operating expenses	-	(2,184)	(2,184)

Key management compensation is presented below:

Compensation of key management personnel	**30 June 2021 (Reviewed)**	30 June 2020 (Reviewed)
Senior management personnel	**2,675**	3,112
Shari'a Supervisory Board remuneration	**240**	240
	2,915	3,352

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**
As at 30 June 2021 (Reviewed)				
Cash and bank balances	**748,875**	-	**3,664**	**752,539**
Investments carried at amortised cost	**85,473**	-	-	**85,473**
Investments carried at fair value subject to credit risk	**174,866**	-	-	**174,866**
Financing assets	**119,423**	**401,554**	**337,254**	**858,231**
Off balance sheet instruments, subject to credit risk	**103,000**	-	-	**103,000**
	1,231,637	**401,554**	**340,918**	**1,974,109**

	Stage 1	Stage 2	Stage 3	Total
As at 31 December 2020 (Audited)				
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
	1,064,957	520,490	342,962	1,928,409

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:

As at and for the six-month period ended 30 June 2021 (expressed in QAR'000)

14 FINANCIAL RISK MANAGEMENT (Continued)

	30 June 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	(76)	-	3,664	3,588	2,525	-	-	2,525
Balance at end of the period/year	2,474	-	3,664	6,138	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	313	(10,194)	-	(9,881)	1,578	-	-	1,578
Balance at end of the period/year	1,891	-	-	1,891	1,578	10,194	-	11,772
Investment at fair value subject to credit risk								
Balance at 1 January	-	-	-	-	-	-	-	-
Impairment allowance, net	7,166	-	-	7,166	-	-	-	-
Balance at end of the period/year	7,166	-	-	7,166	-	-	-	-
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	(343)	11,911	2,003	13,571	2,060	50,638	6,724	59,422
Balance at end of the period/year	3,050	106,157	308,291	417,498	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	-	90	-	90	718	(416)	-	302
Transfer to on balance sheet	-	-	-	-	-	-	(7,436)	(7,436)
Balance at end of the period/year	1,012	90	-	1,102	1,012	-	-	1,012

As at and for the six-month period ended 30 June 2021 (expressed in QAR'000)

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

As at 30 June 2021 and 31 December 2020, fair value of financial instruments approximated their carrying amounts except for investments carried at amortised cost of QAR 83.6 million whose fair value was QAR 86.4 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
30 June 2021 (Reviewed)				
Investments carried at fair value				
- at fair value through equity	167,700	-	67,270	234,970
- at fair value through income statement	-	-	125,093	125,093
Net gains and losses included in the condensed consolidated statement of changes in equity	4,732	-	-	4,732
Net gains and losses, recognised through consolidated income statement	-	-	1,598	1,598

	Level 1	Level 2	Level 3	Total
31 December 2020 (Audited)				
Equity investments				
- at fair value through equity	-	-	50,526	50,526
- at fair value through income statement	2,978	-	122,890	125,868
30 June 2020 (Reviewed)				
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 30 June 2021 the Group had Sharia-compliant-risk management instruments whose fair value was positive QAR 1.7 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.

As at and for the six-month period ended 30 June 2021 (expressed in QAR'000)

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:

Investments carried at fair value	**At 1 January 2021**	**Total losses recorded in consolida-ted income statement**	**Total gains / (losses) recorded in equity statement**	Additions	**At 30 June 2021**
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
- at fair value through equity	50,526	(7,166)	4,732	186,878	234,970
- at fair value through income statement	122,890	2,203	-	-	125,093
	173,416	(4,963)	4,732	186,878	360,063

Losses of investment at fair value through equity of QAR 7.2 million represents provision for impairment, refer to Note 14.

Investments carried at fair value	At 1 January 2020	Total gains recorded in consolida-ted income statement	Additions	Sales/ transfers	At 31 December 2020
Equity investments	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
- 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
	354,263	(120,467)	6,064	(66,444)	173,416

16. SEGMENT INFORMATION

Below is the information about operating segments:

	30 June 2021		30 June 2020	
	Segment income	**Segment profit / (loss)**	Segment income	Segment loss
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Alternative Investments	56,380	55,087	(116,615)	(146,134)
Private Bank	50,847	20,016	15,475	(32,244)
Other	-	(32,375)	2,962	(23,864)
Total	107,227	42,728	(98,178)	(202,242)

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 30 June 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 30 June 2021. However, market remains volatile and the recorded amounts may remain sensitive to market fluctuations.