INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
QATAR FIRST BANK L.L.C (Public)
30 June 2022

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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 accompanying 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 2022, comprising of the interim consolidated statement of financial position as at 30 June 2022 and the related interim consolidated statement of income, 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 consolidated 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 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 and Young
Auditor's Registration No. 326

Date: 10 August 2022
Doha

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QATAR FIRST BANK L.L.C (Public)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 30 June 2022 (expressed in QAR'000)

QFB

	Notes	30 June 2022 (Reviewed)	31 December 2021 (Audited)
ASSETS			
Cash and bank balances	4	2,037,399	1,651,742
Investments carried at amortised cost		175,431	82,256
Investment in funds carried at fair value		80,284	85,731
Financing assets	5	283,046	388,736
Investments carried at fair value	6	711,416	407,554
Investments in real estate	7	226,368	226,368
Fixed assets		10,341	11,211
Intangible assets		2,191	3,173
Assets held-for-sale	8	574,519	315,319
Other assets		365,012	32,586
TOTAL ASSETS		4,466,007	3,204,676
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS AND EQUITY			
Liabilities			
Financing liabilities		418,826	527,524
Customers' balances		879,227	136,525
Liabilities held-for-sale	8	289,934	167,011
Other liabilities		141,299	84,506
Total Liabilities		1,729,286	915,566
Equity of Unrestricted Investment Account Holders		1,697,685	1,739,352
Equity			
Share capital	9	1,018,509	700,000
Share premium		60,720	203
Investments fair value reserve		(16,117)	(1,588)
Accumulated losses		(83,919)	(125,966)
Total Equity Attributable to Shareholders of the Bank		979,193	572,649
Non-controlling interest		59,843	(22,891)
Total Equity		1,039,036	549,758
TOTAL LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS AND EQUITY		4,466,007	3,204,676

These interim condensed consolidated financial statements were authorized for issuance by the Board of Directors on 10th August 2022 and signed on its behalf by:

Vice-Chairman

Board Member

The attached notes 1 to 19 form an integral part of these interim condensed consolidated financial statements.

For the six-month period ended 30 June 2022 (expressed in QAR'000)

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QFB

	Notes	For the three-month period ended 30 June 2022 (Reviewed)	30 June 2021 (Reviewed)	For the six-month period ended 30 June 2022 (Reviewed)	30 June 2021 (Reviewed)
CONTINUING OPERATIONS					
INCOME					
Income from financing assets		2,562	4,087	3,731	7,404
Income from placements with financial institutions		2,007	607	3,038	963
Profit on the financing liabilities		(1,597)	(714)	(2,125)	(1,315)
Net income from financing assets		2,972	3,980	4,644	7,052
Fee income		24,918	4,305	33,528	6,607
Dividend income		1,025	3,035	11,089	3,960
Profit on Sukuk investments		5,899	3,218	10,242	5,796
(Loss)/ gain on re-measurement of investments at fair value through income statement		(17,123)	133	(17,803)	(606)
(Loss) / gain on disposal of sukuk investments		(51)	8	(333)	788
Gain on disposal of equity investments		13,349	17,413	13,349	84,330
Loss on settlement of financing assets		(1,508)	-	(1,508)	-
Net foreign exchange (loss) /gain		(1,772)	(982)	1,013	(2,102)
Other income, net	10	3,074	1,598	13,593	7,886
Total Income Before Return To Unrestricted Investment Account Holders		30,783	32,708	67,814	113,711
Return to unrestricted investment account holders		(11,237)	(5,066)	(21,853)	(10,547)
TOTAL INCOME		19,546	27,642	45,961	103,164
EXPENSES					
Staff costs		(20,442)	(11,514)	(33,345)	(27,467)
Depreciation and amortisation		(1,056)	(728)	(2,242)	(1,445)
Other operating expenses		(7,412)	(4,549)	(12,186)	(8,621)
TOTAL EXPENSES		(28,910)	(16,791)	(47,773)	(37,533)
Reversal / (provision) for impairment on financing assets, net of recoveries	15	35,512	1,949	39,995	(13,571)
Reversal / (provision) for impairment on other financial assets	15	795	5,286	11,254	(963)
NET PROFIT BEFORE INCOME TAX		26,943	18,086	49,437	51,097
Income tax expense		-	-	-	-
NET PROFIT FROM CONTINUING OPERATIONS		26,943	18,086	49,437	51,097
DISCONTINUED OPERATIONS					
Profit / (loss) from discontinued operations, net of tax		(632)	3,827	191	(8,369)
NET PROFIT FOR THE PERIOD		26,311	21,913	49,628	42,728
Attributable to:					
Equity holders of the Bank		21,025	20,442	42,047	40,999
Non-controlling interest		5,286	1,471	7,581	1,729
		26,311	21,913	49,628	42,728
Basic/diluted profit per share from continuing operations - QAR		0.023	0.022	0.056	0.052
Basic/diluted (loss) / profit per share from discontinued operations - QAR		(0.001)	0.005	(0.006)	0.003
Basic/diluted profit per share - QAR	11	0.022	0.027	0.050	0.055

The attached notes 1 to 19 form an integral part of these interim condensed consolidated financial statements.

For the six-month period ended 30 June 2022 (expressed in QAR'000)

	Share capital	Share premium	Investments fair value reserve	Accumula-ted losses	Total equity attributable to equity holders of the Bank	Non-controlling interests	Total equity
Balance at 1 January 2021	700,000	203	-	(223,827)	476,376	225,988	702,364
Net profit for the period	-	-	-	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	-	-	-	-	-	(193,082)	(193,082)
Balance at 30 June 2021 (Reviewed)	700,000	203	4,732	(182,828)	522,107	34,635	556,742
Balance at 1 January 2022	**700,000**	**203**	**(1,588)**	**(125,966)**	**572,649**	**(22,891)**	**549,758**
Increase in share capital	**318,509**	-	-	-	**318,509**	-	**318,509**
Increase in share premium	-	**63,702**	-	-	**63,702**	-	**63,702**
Expenses on issuances of right issue	-	**(3,185)**	-	-	**(3,185)**	-	**(3,185)**
Net profit for the period	-	-	-	**42,047**	**42,047**	**7,581**	**49,628**
Fair value adjustments	-	-	**(14,529)**	-	**(14,529)**	-	**(14,529)**
Net change in non-controlling interests due to:							
- Real Estate Structures	-	-		-	-	**75,153**	**75,153**
Balance at 30 June 2022 (Reviewed)	**1,018,509**	**60,720**	**(16,117)**	**(83,919)**	**979,193**	**59,843**	**1,039,036**

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The attached notes 1 to 19 form an integral part of these interim condensed consolidated financial statements.

For the six-month period ended 30 June 2022 (expressed in QAR'000)

QFB

	Notes	For the six-month period ended 30 June 2022 (Reviewed)	30 June 2021 (Reviewed)
OPERATING ACTIVITIES			
Net profit from continuing operations		**49,437**	51,097
Net profit from discontinued operations before tax		**191**	(8,369)
Net profit for the period		**49,628**	42,728
Adjustments for non-cash items			
Depreciation and amortisation		**2,242**	1,445
Unrealised loss / (gain) on equity investments		**17,123**	(1,598)
Unrealised (gain) / loss on Sharia-compliant risk management instruments, net		**(5,620)**	(20,852)
(Reversal) / provision for impairment on financing assets, net	15	**(39,995)**	13,571
(Reversal) / provision for impairment on other financial assets	15	**(11,254)**	963
		12,124	36,257
Changes in:			
Investments carried at amortised cost		**(92,570)**	157,250
Investment in funds carried at fair value		**5,447**	(87,267)
Financing assets		**145,685**	18,259
Investment carried at fair value		**(332,125)**	(184,505)
Assets held-for-sale		**(259,145)**	314,482
Investments in real estate		**-**	(54,356)
Other assets		**(332,426)**	43,633
Customers' balances		**742,702**	159,729
Liabilities held-for-sale		**122,923**	(134,146)
Other liabilities		**63,210**	19,026
Net cash from operating activities		**75,825**	288,362
INVESTING ACTIVITIES			
Purchase of fixed assets		**(445)**	(312)
Net change in cash and bank balances with maturity of more than 90 days		**868**	-
Net cash from / (used in) investing activities		**423**	(312)
FINANCING ACTIVITIES			
Net change in financing liabilities		**(108,698)**	114,191
Net change in equity of unrestricted investment account holders		**(41,667)**	(162,404)
Net proceeds from right issue		**379,026**	-
Net change in non-controlling interest		**75,153**	(193,082)
Net cash from / (used in) financing activities		**303,814**	(241,295)
Net increase in cash and cash equivalents		**380,062**	46,755
Cash and cash equivalents at the beginning of the period		**1,621,218**	699,646
Cash and cash equivalents at the end of the period	4	**2,001,280**	746,401

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The attached notes 1 to 19 form an integral part of these interim condensed consolidated financial statements.

As at and for the six-month period ended 30 June 2022 (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 2022 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 2022 and 31 December 2021:

Subsidiaries	Activity	Effective ownership as at 30 June 2022	Effective ownership as at 31 December 2021	Year of 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
QFB Tech Fund Ltd.	Investments	**100.0%**	100.0%	2021	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-Northridge GPlaza LLC*	Owning and leasing real estate	**48.2%**	0.0%	2022	USA
GPlaza Property Company LLC*	Leasing real estate	**48.2%**	0.0%	2022	USA

**These subsidiaries related to investment products offered to customers. Refer to Note 8.1.*

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 2021. In addition, results for the six-month period ended 30 June 2022 are not necessarily indicative of results that may be expected for the financial year ending 31 December 2022.

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 2021.

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 2021.

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

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 2022

- *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'a 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'a principles and rules, irrespective of their legal status, including virtual Waqf institutions.

Since the Group does not have any current waqf activities, there is no impact of this standard to the financials statements of the Group.

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

AAOIFI has issued FAS 38 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.

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

- *FAS 1 (Revised 2021) - General Presentation and Disclosures in the Financial Statements*

AAOIFI has issued revised FAS 1 in 2021. The revised FAS 1 supersedes the earlier FAS 1 General Presentation and Disclosures in the Financial Statements of Islamic Banks and Financial Institutions and introduces the concepts of quasi-equity, off-balance-sheet assets under management and other comprehensive income to enhance the information provided to the users of the financial statements. This standard shall be effective for the financial periods beginning on or after 1 January 2023 with early adoption permitted. The Group is currently evaluating the impact of the above standards.

- *FAS 39 - Financial Reporting for Zakah*

AAOIFI has issued FAS 39 in 2021. This standard improves upon and supersedes FAS 9 on "Zakah" and aims at setting out the accounting treatment of Zakah in the books of the institutions, including the presentation and disclosure by an Islamic financial institution. The accounting and financial reporting requirements such as recognition, presentation and disclosure requirements of this standard shall apply to institutions that are obliged to pay Zakah on behalf of certain or all stakeholders. Institutions that are not obliged to pay Zakah shall apply the disclosure requirements of this standard for certain or all stakeholders, as relevant. This standard shall be effective for the financial periods beginning on or after 1 January 2023 with early adoption permitted. The Group is currently evaluating the impact of the above standards.

As at and for the six-month period ended 30 June 2022 (expressed in QAR'000)

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2. New standards, amendments and interpretations

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

- *FAS 40 - Financial Reporting for Islamic Finance Windows*

AAOIFI has issued FAS 40 in 2021. The objective of this revised standard is to establish financial reporting requirements for Islamic finance windows and applicable to all conventional financial institutions providing Islamic financial services through an Islamic finance window. This standard improves upon and supersedes FAS 18 "Islamic Financial Services Offered by Conventional Financial Institutions". This standard shall be effective for the financial periods beginning on or after 1 January 2024 with early adoption permitted. The Group is currently evaluating the impact of the above standards.

4. CASH AND BANK BALANCES

	30 June 2022 (Reviewed)	31 December 2021 (Audited)
Cash in hand	18	25
Balances with banks (current accounts)	436,635	822,952
Placement with financial institutions	1,604,463	838,945
Provision for impairment	(3,717)	(10,180)
	2,037,399	1,651,742
Less: cash and bank balances with maturity of more than 90 days	(39,836)	(40,704)
Add: provision for impairment (non cash)	3,717	10,180
Cash and cash equivalents	2,001,280	1,621,218

5. FINANCING ASSETS

	30 June 2022 (Reviewed)	31 December 2021 (Audited)
Murabaha financing	462,913	613,551
Deferred investment sales	162,895	162,889
Others	36,313	36,535
Total financing assets	662,121	812,975
Deferred profit	(19,812)	(20,370)
Provision for impairment on financing assets	(359,263)	(403,869)
Net financing assets	283,046	388,736

As at and for the six-month period ended 30 June 2022 (expressed in QAR'000)

6. INVESTMENTS CARRIED AT FAIR VALUE

	Note	30 June 2022 (Reviewed)	31 December 2021 (Audited)
Investments at fair value through equity	6.1	597,340	285,756
Investments at fair value through income statement		114,076	121,798
		711,416	407,554

Loss on re-measurement of investments at fair value through income statement for the six-month period ended 30 June 2022 was QAR 24.6 million (for the six-month period ended 30 June 2021: a loss of QAR 1.6 million).

6.1. Investments at fair value through equity

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

	30 June 2022 (Reviewed)	31 December 2021 (Audited)
Equity-type investments	91,086	96,903
Debt-type sukuk investments*	506,254	188,853
	597,340	285,756

*As at 30 June 2022, the Bank recognized negative fair value adjustment of QAR 14.5 million (for the six-month period ended 30 June 2021: a positive fair value of QAR 4.7 million) related to these sukuk investments. Sukuk investments of nominal value of QAR 149.1 million (fair value of QAR 147.8 million) of the Group have been pledged as security for bank financing liabilities of QAR 109 million of the Group.

7. INVESTMENT IN REAL ESTATE

In 2021, the Bank entered into an Ijarah Agreement ending with transfer of ownership 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.

Investment in real estate also include direct real estate investment of QR 12 million.

As at and for the six-month period ended 30 June 2022 (expressed in QAR'000)

8. ASSETS AND LIABILITIES HELD-FOR-SALE

	30 June 2022 (Reviewed)	31 December 2021 (Audited)
Assets of disposal groups classified as held-for-sale	**574,519**	315,319
Liabilities of disposal group classified as held-for-sale	**289,934**	167,011

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

8.1.1 Assets and liabilities of Real Estate Structure

As part of its business, the Bank from time to time enters various structures to invest indirectly in real estate properties using special purpose vehicles ("SPV") with an intention to sell substantial part of it to investors. Until the Bank ceases its control over those SPVs, they are consolidated by the Bank as a result of application of the accounting consolidation rules under Financial Accounting Standard 23 whereby an entity needs to consolidate an SPV based on economic substance despite the fact that the SPV is not legally owned by and not legally related to the Bank. The financings of these SPVs related to the real estate property have no recourse to the Bank.

a) US Real Estate Structures
The Bank entered into various structures to invest in real estate within United States of America: (i) In 2019, the Bank entered a structure to invest in real estate within United States of America and indirectly acquired 97% in real estate property (the "Fair view") and (ii) during June 2022 to acquire 99.87% stake in real estate property (the "Gateway Plaza Building") (altogether referred as "US Real Estate Structures"). These US real estate properties thereafter are leased under Ijarah terms.

b) UK Real Estate Structures
In 2017, the Bank entered 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 of 30 June 2022, the Bank sold a 71% stake out of 100% in the UK Real Estate Structure to its investors.

As at 30 June 2022, the Bank sold a 51.72% stake out of 99.87% in the Gateway Plaza to its investor. The Bank is currently in the process of marketing the remaining US and UK Real Estate structure; therefore, the related assets and liabilities of such structures have been presented as part of assets and liabilities held-for-sale. The total of assets and liabilities held for sale in the consolidated financial assets are QAR 536.8 million and QAR 237.8 million, respectively.

As at and for the six-month period ended 30 June 2022 (expressed in QAR'000)

9. SHARE CAPITAL

	30 June 2022 (Reviewed)	31 December 2021 (Audited)
Authorized		
2,500,000,000 ordinary shares of QAR 1 each	2,500,000	2,500,000
Issued and paid		
1,018,508,635 ordinary shares (31 December 2021: 700,00,000) of QAR 1 each	1,018,509	700,000
Beginning of the reporting period	700,000	700,000
Rights share issued	318,509	-
In issue at 30 June 2022	1,018,509	700,000

At the Extraordinary General Meeting (EGM) of the Bank held on 22 September 2021, the shareholders approved to increase the Bank's share capital through a right issue representing 60% of the Bank's paid up nominal share capital (i.e. from QAR 700,000,000 up to QAR 1,120,000,000) within a period of one year from the EGM date.

The Bank offered 420,000,000 new ordinary shares for subscription at a price of QAR 1.2 (One Qatari Riyals and twenty Dirhams) each (including premium per share of QAR 0.2), including issuance expenses that are capped to 1% of the share par value (the "Right Issue").

Accordingly, the subscription process for the rights issue commenced on 6 April 2022 and closed on 19 April 2022 through which 268,711,498 new ordinary shares were subscribed. Subsequently, 49,797,137 new ordinary shares were sold through the market as per the regulatory process resulting in a total of 318,508,635 new ordinary shares subscribed as at 30 June 2022. This resulted in an increase in the share capital by QAR 318.5 million and share premium by QAR 60.5 million (net of expenses) aggregating to QAR 379.0 million. The Bank is in process of selling the remaining unsubscribed shares in the market as per the regulatory guidance.

10. OTHER INCOME, NET

	For the six-month period ended	
	30 June 2022 (Reviewed)	30 June 2021 (Reviewed)
Rental income from investment in Ijarah asset	8,553	7,055
Financing cost relating to Ijarah asset	(2,946)	(2,748)
Net rental income from investment in Ijarah asset	5,607	4,307
Miscellaneous income	7,986	3,579
	13,593	7,886

11. BASIC AND DILUTED PROFIT PER SHARE

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

	For the three-month period ended		For the six-month period ended	
	30 June 2022 (Reviewed)	30 June 2021 (Reviewed) (Restated)	**30 June 2022 (Reviewed)**	30 June 2021 (Reviewed) (Restated)
Basic and diluted profit per share				
Net profit attributable to the equity holders of the Bank from continuing operations	**21,657**	16,615	**46,937**	38,575
Net profit/(loss) attributable to the equity holders of the Bank from discontinued operations	**(632)**	3,827	**(4,890)**	2,424
Net Proft attributable to the equity holders of the Bank	**21,025**	20,442	**42,047**	40,999
Total weighted average number of shares (thousand)	**924,456**	747,436	**835,946**	747,436
Basic and diluted profit per share from continuing operations - QAR	**0.023**	0.022	**0.056**	0.052
Basic and diluted profit / (loss) per share from discontinued operations - QAR	**(0.001)**	0.005	**(0.006)**	0.003
Basic and diluted profit per share - QAR	**0.022**	0.027	**0.050**	0.055

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

Qualifying ordinary shares at the beginning of the period	**700,000**	700,000	**700,000**	700,000
Effect of right issue	**224,456**	47,436	**135,946**	47,436
Weighted average number of ordinary shares for the period	**924,456**	747,436	**835,946**	747,436

12. CONTINGENT LIABILITIES

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

	30 June 2022 (Reviewed)	31 December 2021 (Audited)
Letters of guarantee	-	1,388
Unutilised credit facilities	**956**	100,000
	956	101,388

Contingent liabilities related to Sharia-compliant-risk-management instruments, representing notional amounts, amounted to QAR 333.98 million (31 December 2021: QAR 459.5 million).

13. COMMITMENTS

	30 June 2022 (Reviewed)	31 December 2021 (Audited)
Commitment for operating lease		
No later than one year	**820**	1,229
Later than one year	-	205
	820	1,434

As at and for the six-month period ended 30 June 2022 (expressed in QAR'000)

14. 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 2022		
	Associates (Reviewed)	**Other* (Reviewed)**	**Total (Reviewed)**
a) Consolidated statement of financial position as at			
Financing assets	**360**	-	**360**
Other assets	-	**9,100**	**9,100**
Customers' balances	-	**44,656**	**44,656**
Liabilities held-for-sale	**17,779**	-	**17,779**
b) Consolidated income statement for the period ended			
Dividend income	**1,432**	-	**1,432**
Reversal for impairment of financing assets	**703**	-	**703**
Other operating expenses	-	**(650)**	**(650)**
c) Off balance sheet instruments as at			
Assets under management	-	**112,422**	**112,422**

The balances of related parties as at 31 December 2021 are as follows:

	31 December 2021		
	Associates (Audited)	Other* (Audited)	Total (Audited)
a) Consolidated statement of financial position as at			
Financing assets	15,254	-	15,254
Other assets	-	9,100	9,100
Customers' balances	-	21,922	21,922
Liabilities held-for-sale	17,779	-	17,779
b) Off balance sheet instruments as at			
Unutilised credit facilities	-	100,000	100,000
Asset under management	-	97,456	97,456

Transactions with related parties for the corresponding period of six month ended 30 June 2021 are as follows:

	30 June 2021		
	Associates (Reviewed)	Other* (Reviewed)	Total (Reviewed)
c) Consolidated income statement for the period ended			
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)

As at and for the six-month period ended 30 June 2022 (expressed in QAR'000)

14 RELATED PARTIES TRANSACTIONS AND BALANCES (Continued)

Key management compensation is presented below:

	30 June 2022 (Reviewed)	30 June 2021 (Reviewed)
Compensation of key management personnel		
Senior management personnel	4,244	2,675
Shari'a Supervisory Board remuneration	240	240
	4,484	2,915

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

15. 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 2021.

Exposures

	30 June 2022			
	Stage 1 (Reviewed)	Stage 2 (Reviewed)	Stage 3 (Reviewed)	Total (Reviewed)
Cash and bank balances	2,037,452	-	3,664	2,041,116
Investments carried at amortised cost	175,944	-	-	175,944
Investments carried at fair value	510,754	-	-	510,754
Financing assets	196,111	146,255	299,943	642,309
Off balance sheet instruments, subject to credit risk	956	-	-	956
	2,921,217	146,255	303,607	3,371,079

	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
Cash and bank balances	1,658,258	-	3,664	1,661,922
Investments carried at amortised cost	83,374	-	-	83,374
Investments carried at fair value	196,742	-	-	196,742
Financing assets	86,639	397,186	308,780	792,605
Off balance sheet instruments, subject to credit risk	100,000	1,388	-	101,388
	2,125,013	398,574	312,444	2,836,031

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 2022 (expressed in QAR'000)

15 FINANCIAL RISK MANAGEMENT (Continued)

	30 June 2022				31 December 2021			
	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	6,516	-	3,664	10,180	2,550	-	-	2,550
Impairment allowance, net	(6,463)	-	-	(6,463)	3,966	-	3,664	7,630
Balance at end of the period/year	53	-	3,664	3,717	6,516	-	3,664	10,180
Investments carried at amortised cost								
Balance at 1 January	1,118	-	-	1,118	1,578	10,194	-	11,772
Impairment allowance, net	(605)	-	-	(605)	(460)	(10,194)	-	(10,654)
Balance at end of the period/year	513	-	-	513	1,118	-	-	1,118
Investments carried at fair value								
Balance at 1 January	7,889	-	-	7,889	-	-	-	-
Impairment allowance, net	(3,389)	-	-	(3,389)	7,889	-	-	7,889
Balance at end of the period/year	4,500	-	-	4,500	7,889	-	-	7,889
Financing assets								
Balance at 1 January	1,983	96,932	304,954	403,869	3,393	94,246	306,288	403,927
Write-off of provision	-	-	(4,611)	(4,611)	-	-	(7,432)	(7,432)
Impairment allowance, net	(222)	(39,373)	(400)	(39,995)	(1,410)	2,686	6,098	7,374
Balance at end of the period/year	1,761	57,559	299,943	359,263	1,983	96,932	304,954	403,869
Other assets								
Balance at 1 January	-	-	12,659	12,659	-	-	13,075	13,075
Write-off of provision	-	-	-	-	-	-	(416)	(416)
Balance at end of the period/year	-	-	12,659	12,659	-	-	12,659	12,659
Off balance sheet instruments, subject to credit risk								
Balance at 1 January	8,128	90	-	8,218	1,012	-	-	1,012
Impairment allowance, net	(707)	(90)	-	(797)	7,116	90	-	7,206
Balance at end of the period/year	7,421	-	-	7,421	8,128	90	-	8,218

As at and for the six-month period ended 30 June 2022 (expressed in QAR'000)

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

16.1. 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 2022 (Reviewed)				
Investments carried at fair value				
- at fair value through equity	506,254	-	91,086	597,340
- at fair value through income statement	4,524	-	109,552	114,076
Investments in real estate carried at fair value	-	226,368	-	226,368
Investments in funds carried at fair value	80,284	-	-	80,284
Net gains and losses included in the interim condensed consolidated statement of changes in equity	(14,529)	-	-	(14,529)
Net gains and losses included in the interim condensed consolidated income statement	(17,803)	-	(12,245)	(30,048)
31 December 2021(Audited)				
Equity investments				
- at fair value through equity	188,853	-	96,903	285,756
- at fair value through income statement	-	-	121,798	121,798
Investments in real estate carried at fair value	-	226,368	-	226,368
Investments in funds carried at fair value	85,731	-	-	85,731
30 June 2021 (Reviewed)				
Net gains and losses included in the interim condensed consolidated statement of changes in equity	4,732	-	-	4,732
Net gains and losses included in the interim condensed consolidated income statement	-	-	1,598	1,598

In addition to the above financial instruments, as at 30 June 2022 the Group had Sharia-compliant-risk management instruments whose fair value was positive QAR 5.6 million (31 December 2021: positive QAR 3.4 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 2021.

As at and for the six-month period ended 30 June 2022 (expressed in QAR'000)

16 FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

16.2. 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 2022 (Audited)	Total losses recorded in interim condensed consolidated income statement (Reviewed)	Additions (Reviewed)	(Sales)/ transfers (Reviewed)	At 30 June 2022 (Reviewed)
Equity investments					
- at fair value through equity	**96,903**	-	-	**(5,817)**	**91,086**
- at fair value through income statement	**121,798**	**(24,603)**	**16,881**	-	**114,076**
	218,701	**(24,603)**	**16,881**	**(5,817)**	**205,162**

	At 1 January 2021 (Audited)	Total gains recorded in consolidated income statement	Additions	(Sales)/ transfers	At 31 December 2021 (Audited)
Equity investments					
- at fair value through equity	50,526	-	34,947	11,430	96,903
- at fair value through income statement	122,890	(1,092)	-	-	121,798
	173,416	(1,092)	34,947	11,430	218,701

17. SEGMENT INFORMATION

Below is the information about operating segments:

	30 June 2022		30 June 2021	
	Segment income (Reviewed)	**Segment Profit (Reviewed)**	Segment income (Reviewed)	Segment Profit /(loss) (Reviewed)
Alternative Investments	**(2,476)**	**(5,250)**	56,380	55,087
Private Bank	**42,830**	**50,104**	46,784	20,016
Other	**5,607**	**4,774**	-	(32,375)
Total	**45,961**	**49,628**	103,164	42,728

18. POTENTIAL IMPACT OF ECONOMIC UNCERTAINTY

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 Bank is closely monitoring the situation and has activated its business continuity planning and other risk management practices to manage the potential business disruption COVID-19 outbreak may have on its operations and financial performance. The impact of outbreak may have on its operations and financial performance is being continually assessed. The Central Banks and Sovereign Governments have announced monetary and fiscal measures to mitigate the possible adverse implications.

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 of 30 June 2022, were 65% to the Base Case, 30% to Downside and 5% to the Upside Case (As at 30 June and 31 December 2021, were 30% to the Base Case, 65% to Downside and 5% to the Upside Case). The situation is evolving and accordingly any upside or downside scenarios will be reassessed should the conditions significantly 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.

19. EVENTS AFTER THE REPORTING PERIOD

At the Extraordinary General Meeting (EGM) of the Bank held on 1 August 2022, the shareholders approved, subject to obtaining all relevant regulatory approvals, to change the name of the Bank to "Lesha Bank" within a period of twelve months from the date of the decision of the EGM thereby convened. Regulatory approvals in this regard are pending as of the date of approval of these interim condensed consolidated financial statements.