INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
LESHA BANK L.L.C (Public)
(FORMERLY KNOWN AS QATAR FIRST BANK L.L.C)
30 September 2022

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 LESHA BANK L.L.C. (PUBLIC) (FORMERLY KNOWN AS QATAR FIRST BANK L.L.C. (PUBLIC))

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Lesha Bank L.L.C. (Public) (formerly known as Qatar First Bank L.L.C. (Public)) ("the Bank") and its subsidiaries (collectively "the Group") as at 30 September 2022, comprising of the interim consolidated statement of financial position as at 30 September 2022 and the related interim consolidated statement of income for the three months and nine months period ended 30 September 2022, the related interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the nine 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

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

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Date: 26 October 2022
Doha

As at 30 September 2022 (expressed in QAR'000)

	Notes	30 September 2022 (Reviewed)	31 December 2021 (Audited)
ASSETS			
Cash and bank balances	*4*	**1,735,803**	1,651,742
Investments carried at amortised cost		**184,536**	82,256
Investment in funds carried at fair value		**113,773**	85,731
Financing assets	*5*	**211,307**	388,736
Investments carried at fair value	*6*	**913,316**	407,554
Investments in real estate	*7*	**226,368**	226,368
Fixed assets		**19,686**	11,211
Intangible assets		**1,808**	3,173
Assets held-for-sale	*8*	**396,590**	315,319
Other assets		**153,706**	32,586
TOTAL ASSETS		**3,956,893**	3,204,676
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS AND EQUITY			
Liabilities			
Financing liabilities		**393,714**	527,524
Customers' balances		**539,283**	136,525
Liabilities held-for-sale	*8*	**144,257**	167,011
Other liabilities		**144,672**	84,506
Total Liabilities		**1,221,926**	915,566
Equity of Unrestricted Investment Account Holders		**1,631,367**	1,739,352
Equity			
Share capital	*9*	**1,120,000**	700,000
Share premium		**80,003**	203
Investments fair value reserve		**(20,970)**	(1,588)
Accumulated losses		**(62,416)**	(125,966)
Total Equity Attributable to Shareholders of the Bank		**1,116,617**	572,649
Non-controlling interest		**(13,017)**	(22,891)
Total Equity		**1,103,600**	549,758
TOTAL LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS AND EQUITY		**3,956,893**	3,204,676

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These interim condensed consolidated financial statements were authorized for issuance by the Board of Directors on 26th October 2022 and signed on its behalf by:

Chairman

Vice Chairman

The attached notes 1 to 18 form an integral part of these interim condensed consolidated financial statements.

For the three and nine-month period ended 30 September 2022 (expressed in QAR'000)

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LESHA BANK

	Notes	For the three-month period ended 30 September 2022 (Reviewed)	30 September 2021 (Reviewed)	For the nine-month period ended 30 September 2022 (Reviewed)	30 September 2021 (Reviewed)
CONTINUING OPERATIONS					
INCOME					
Income from financing assets		**3,365**	4,565	**7,096**	11,969
Income from placements with financial institutions		**6,642**	780	**9,680**	1,743
Profit on the financing liabilities		**(1,261)**	(841)	**(3,386)**	(2,156)
Net income from financing assets		**8,746**	4,504	**13,390**	11,556
Fee income		**12,161**	3,779	**45,689**	10,386
Dividend income		**2,462**	6,034	**13,551**	9,994
Profit on Sukuk investments		**8,661**	3,217	**18,903**	9,013
Loss on re-measurement of investments at fair value through income statement		**(2,198)**	(751)	**(20,001)**	(1,357)
(Loss) / gain on disposal of sukuk investments		**(463)**	-	**(796)**	788
Gain on disposal of equity investments		**12,308**	41,795	**25,657**	126,125
Loss on settlement of financing assets		-	-	**(1,508)**	-
Net foreign exchange (loss) /gain		**(11,371)**	3,171	**(10,358)**	1,069
Other income, net	10	**2,495**	1,710	**16,088**	9,596
Total Income Before Return To Unrestricted Investment Account Holders		**32,801**	63,459	**100,615**	177,170
Return to unrestricted investment account holders		**(10,760)**	(4,873)	**(32,613)**	(15,420)
TOTAL INCOME		**22,041**	58,586	**68,002**	161,750
EXPENSES					
Staff costs		**(16,507)**	(13,748)	**(49,852)**	(41,215)
Depreciation and amortisation		**(1,050)**	(730)	**(3,292)**	(2,175)
Other operating expenses		**(5,436)**	(5,127)	**(17,622)**	(13,748)
TOTAL EXPENSES		**(22,993)**	(19,605)	**(70,766)**	(57,138)
Reversal / (provision) for impairment on financing assets, net of recoveries	15	**23,374**	(3,716)	**63,369**	(17,287)
Reversal / (provision) for impairment on other financial assets	15	**(827)**	(4,048)	**10,427**	(5,011)
NET PROFIT BEFORE INCOME TAX		**21,595**	31,217	**71,032**	82,314
Income tax expense		-	-	-	-
NET PROFIT FROM CONTINUING OPERATIONS		**21,595**	31,217	**71,032**	82,314
DISCONTINUED OPERATIONS					
Loss from discontinued operations, net of tax		**(893)**	(6,917)	**(702)**	(15,286)
NET PROFIT FOR THE PERIOD		**20,702**	24,300	**70,330**	67,028
Attributable to:					
Equity holders of the Bank		**21,503**	21,008	**63,550**	62,007
Non-controlling interest		**(801)**	3,292	**6,780**	5,021
		20,702	24,300	**70,330**	67,028
Basic/diluted profit per share from continuing operations - QAR		**0.020**	0.036	**0.077**	0.080
Basic/diluted (loss) / profit per share from discontinued operations - QAR		**(0.001)**	(0.009)	**(0.008)**	0.001
Basic/diluted profit per share - QAR	11	**0.019**	0.027	**0.069**	0.081

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The attached notes 1 to 18 form an integral part of these interim condensed consolidated financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine-month period ended 30 September 2022 (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 2021	700,000	203	-	(223,827)	476,376	225,988	702,364
Net profit for the period	-	-	-	62,007	62,007	5,021	67,028
Fair value adjustments	-	-	4,285	-	4,285	-	4,285
Net change in non-controlling interests due to:							
- Real Estate Structures	-	-	-	-	-	(214,372)	(214,372)
Balance at 30 September 2021 (Reviewed)	700,000	203	4,285	(161,820)	542,668	16,637	559,305
Balance at 1 January 2022	**700,000**	**203**	**(1,588)**	**(125,966)**	**572,649**	**(22,891)**	**549,758**
Increase in share capital	**420,000**	-	-	-	**420,000**	-	**420,000**
Increase in share premium	-	**84,000**	-	-	**84,000**	-	**84,000**
Expenses on issuances of right issue	-	**(4,200)**	-	-	**(4,200)**	-	**(4,200)**
Net profit for the period	-	-	-	**63,550**	**63,550**	**6,780**	**70,330**
Fair value adjustments	-	-	**(19,382)**	-	**(19,382)**	-	**(19,382)**
Net change in non-controlling interests due to:							
- Real Estate Structures	-	-		-	-	**3,094**	**3,094**
Balance at 30 September 2022 (Reviewed)	**1,120,000**	**80,003**	**(20,970)**	**(62,416)**	**1,116,617**	**(13,017)**	**1,103,600**

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The attached notes 1 to 18 form an integral part of these interim condensed consolidated financial statements.

For the nine-month period ended 30 September 2022 (expressed in QAR'000)

	Notes	For the nine-month period **30 September 2022 (Reviewed)**	 30 September 2021 (Reviewed)
OPERATING ACTIVITIES			
Net profit from continuing operations		**71,032**	82,314
Net profit from discontinued operations before tax		**(702)**	(15,286)
Net profit for the period		**70,330**	67,028
Adjustments for non-cash items			
Depreciation and amortisation		**3,292**	2,175
Unrealised loss on equity investments		**2,198**	2,883
Unrealised gain on Sharia-compliant risk management instruments, net		**(20,617)**	(26,337)
(Reversal) / provision for impairment on financing assets, net	*15*	**(63,369)**	17,287
(Reversal) / provision for impairment on other financial assets	*15*	**(10,427)**	5,011
		(18,593)	68,047
Changes in:			
Investments carried at amortised cost		**(101,952)**	160,645
Investment in funds carried at fair value		**(28,042)**	(86,516)
Financing assets		**240,798**	51,429
Investment carried at fair value		**(526,166)**	(209,256)
Assets held-for-sale		**(81,011)**	777,380
Investments in real estate		**-**	(214,356)
Other assets		**(121,120)**	(73,133)
Customers' balances		**402,758**	58,285
Liabilities held-for-sale		**(22,754)**	(426,997)
Other liabilities		**83,240**	52,648
Net cash (used in) / from operating activities		**(172,842)**	158,176
INVESTING ACTIVITIES			
Purchase of fixed assets		**(10,662)**	(366)
Net change in cash and bank balances with maturity of more than 90 days		**(103,873)**	(40,704)
Net cash used in investing activities		**(114,535)**	(41,070)
FINANCING ACTIVITIES			
Net change in financing liabilities		**(133,810)**	290,576
Net change in equity of unrestricted investment account holders		**(107,985)**	15,088
Net proceeds from right issue		**499,800**	-
Net change in non-controlling interest		**3,094**	(214,372)
Dividends paid to equity holders		**-**	-
Net cash from financing activities		**261,099**	91,292
Net (decrease) /increase in cash and cash equivalents		**(26,278)**	208,398
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*	**1,594,940**	908,044

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

1. REPORTING ENTITY

Lesha Bank L.L.C (Public) (formerly known as Qatar First Bank L.L.C) ("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 Authoripty. 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 4th Floor, Tornado Tower, West Bay, Doha, State of Qatar. The Bank's issued shares were listed for trading on the Qatar Exchange effective from 27 April 2016 (ticker: "QFBQ").

At the Extraordinary General Meeting (EGM) of the Bank held on 1 August 2022, the shareholders approved to change the name of the Bank to "Lesha Bank".

The interim condensed consolidated financial statements of the Bank for the nine-month period ended 30 September 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 Lesha Bank L.L.C (Public).

The Bank had the following subsidiaries as at 30 September 2022 and 31 December 2021:

		Effective ownership as at			
Subsidiaries	**Activity**	**30 September 2022**	31 December 2021	**Year of incorporation**	**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 Investments I Ltd.	Investments	**100.0%**	-	2022	Cayman Islands
QFB Private Equity Ltd.	Investments	**100.0%**	-	2022	Cayman Islands
QFB Sharia-Compliant Global Real Estate Fund of Funds	Investments	**100.0%**	-	2022	Cayman Islands

**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 nine-month period ended 30 September 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 nine-month period ended 30 September 2022 (expressed in QAR'000)

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1. New standards, amendments and interpretations (continued)

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

- *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 September 2022 (Reviewed)	31 December 2021 (Audited)
Cash in hand	**25**	25
Balances with banks (current accounts)	**170,915**	822,952
Placement with financial institutions	**1,568,577**	838,945
Provision for impairment	**(3,714)**	(10,180)
	1,735,803	1,651,742
Less: cash and bank balances with maturity of more than 90 days	**(144,577)**	(40,704)
Add: provision for impairment (non-cash)	**3,714**	10,180
Cash and cash equivalents	**1,594,940**	1,621,218

5. FINANCING ASSETS

	30 September 2022 (Reviewed)	31 December 2021 (Audited)
Murabaha financing	**432,293**	613,551
Deferred investment sales	**90,087**	162,889
Others	**35,763**	36,535
Total financing assets	**558,143**	812,975
Deferred profit	**(14,406)**	(20,370)
Provision for impairment on financing assets	**(332,430)**	(403,869)
Net financing assets	**211,307**	388,736

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

6. INVESTMENTS CARRIED AT FAIR VALUE

	Note	30 September 2022 (Reviewed)	31 December 2021 (Audited)
Investments at fair value through equity	6.1	**758,005**	285,756
Investments at fair value through income statement		**155,311**	121,798
		913,316	407,554

Loss on re-measurement of investments at fair value through income statement for the nine-month period ended 30 September 2022 was QAR 36.0 million (for the nine-month period ended 30 September 2021: a loss of QAR 2.9 million).

6.1. Investments at fair value through equity

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

	30 September 2022 (Reviewed)	31 December 2021 (Audited)
Equity-type investments	**99,458**	96,903
Debt-type sukuk investments*	**658,547**	188,853
	758,005	285,756

*As at 30 September 2022, the Bank recognized negative fair value adjustment of QAR 19.4 million (for the nine-month period ended 30 September 2021: a positive fair value of QAR 4.3 million) related to these sukuk investments. Sukuk investments of nominal value of QAR 149.1 million (fair value of QAR 147.7 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 includes direct real estate investment of QR 12 million.

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

8. ASSETS AND LIABILITIES HELD-FOR-SALE

	30 September 2022 (Reviewed)	31 December 2021 (Audited)
Assets of disposal groups classified as held-for-sale	**396,590**	315,319
Liabilities of disposal group classified as held-for-sale	**144,257**	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: 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") (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 September 2022, the Bank sold a 71% stake out of 100% in the UK Real Estate Structure to its investors.

As at 30 September 2022, 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 243 million and QAR 92.1 million, respectively.

8.1.2 Assets and liabilities of Private Equity Structure

As part of its business, the Bank from time to time enters various structures to invest indirectly in private equity investment using special purpose vehicles ("SPV") with an intention to sell substantial part of it to investors. In 2022, the Bank entered into a structure to invest in a private equity within Europe. The total investment is QAR 263.3 million of which QAR 52.7 represents the Bank's investment. During the period, the Bank was able to divest QAR 94.8 million and the remaining unsold portion has been classified as assets held for sale in the financial statements.

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

9. SHARE CAPITAL

	30 September 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		
1,120,000,000 ordinary shares (31 December 2021: 700,00,000) of QAR 1 each	**1,120,000**	700,000
Beginning of the reporting period	**700,000**	700,000
Rights share issued	**420,000**	-
In issue at 30 September 2022	**1,120,000**	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. Further, 151,288,502 balance ordinary shares were sold through the market as per the regulatory process. This resulted in an increase in the share capital by QAR 420.0 million and share premium by QAR 79.8 million (net of expenses) aggregating to QAR 499.8 million.

10. OTHER INCOME, NET

	For the nine-month period ended	
	30 September 2022 (Reviewed)	30 September 2021 (Reviewed)
Rental income from investment in Ijarah asset	**12,822**	10,092
Financing cost relating to Ijarah asset	**(4,551)**	(4,144)
Net rental income from investment in Ijarah asset	**8,271**	5,948
Miscellaneous income	**7,817**	3,648
	16,088	9,596

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 nine-month period ended	
	30 September 2022 (Reviewed)	30 September 2021 (Reviewed) (Restated)	**30 September 2022 (Reviewed)**	30 September 2021 (Reviewed) (Restated)
Basic and diluted profit per share				
Net profit attributable to the equity holders of the Bank from continuing operations	**22,396**	27,925	**71,032**	61,165
Net (loss)/profit attributable to the equity holders of the Bank from discontinued operations	**(893)**	(6,917)	**(7,482)**	842
Net Proft attributable to the equity holders of the Bank	**21,503**	21,008	**63,550**	62,007
Total weighted average number of shares (thousand)	**1,128,182**	765,694	**919,497**	765,694
Basic and diluted profit per share from continuing operations - QAR	**0.020**	0.036	**0.077**	0.080
Basic and diluted (loss) / profit per share from discontinued operations - QAR	**(0.001)**	(0.009)	**(0.008)**	0.001
Basic and diluted profit per share - QAR	**0.019**	0.027	**0.069**	0.081

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	**428,182**	65,694	**219,497**	65,694
Weighted average number of ordinary shares for the period	**1,128,182**	765,694	**919,497**	765,694

12. CONTINGENT LIABILITIES

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

	30 September 2022 (Reviewed)	31 December 2021 (Audited)
Letters of guarantee	-	1,388
Unutilised credit facilities	**772**	100,000
	772	101,388

Contingent liabilities related to Sharia-compliant-risk-management instruments, representing notional amounts, amounted to QAR 142.7 million (31 December 2021: QAR 459.5 million).

13. COMMITMENTS

	30 September 2022 (Reviewed)	31 December 2021 (Audited)
Commitment for operating lease		
No later than one year	**102**	1,229
Later than one year	-	205
	102	1,434

As at and for the nine-month period ended 30 September 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 September 2022		
	Associates (Reviewed)	**Other* (Reviewed)**	**Total (Reviewed)**
a) Consolidated statement of financial position as at			
Financing assets	**14,803**	**-**	**14,803**
Other assets	**-**	**9,100**	**9,100**
Customers' balances	**-**	**27,227**	**27,227**
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	**15,614**	**-**	**15,614**
Other operating expenses	**-**	**(974)**	**(974)**
c) Off balance sheet instruments as at			
Assets under management	**-**	**125,810**	**125,810**

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 nine months ended 30 September 2021 are as follows:

	30 September 2021		
	Associates (Reviewed)	Other* (Reviewed)	Total (Reviewed)
c) Consolidated income statement for the period ended			
Provision for impairment of financing assets	(82)	-	(82)
Other operating expenses	-	(1,917)	(1,917)

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

14 RELATED PARTIES TRANSACTIONS AND BALANCES (Continued)

Key management compensation is presented below:

	30 September 2022 (Reviewed)	30 September 2021 (Reviewed)
Compensation of key management personnel		
Senior management personnel	**6,853**	4,865
Shari'a Supervisory Board remuneration	**360**	360
	7,213	5,225

* 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 September 2022			
	Stage 1 (Reviewed)	**Stage 2 (Reviewed)**	**Stage 3 (Reviewed)**	**Total (Reviewed)**
Cash and bank balances	**1,735,823**	**-**	**3,694**	**1,739,517**
Investments carried at amortised cost	**185,326**	**-**	**-**	**185,326**
Investments carried at fair value	**665,260**	**-**	**-**	**665,260**
Financing assets	**127,005**	**116,754**	**299,978**	**543,737**
Off balance sheet instruments, subject to credit risk	**772**	**-**	**-**	**772**
	2,714,186	**116,754**	**303,672**	**3,134,612**

	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 nine-month period ended 30 September 2022 (expressed in QAR'000)

15 FINANCIAL RISK MANAGEMENT (Continued)

	30 September 2022				31 December 2021			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
	(Reviewed)	**(Reviewed)**	**(Reviewed)**	**(Reviewed)**	(Audited)	(Audited)	(Audited)	(Audited)
Cash and bank balances								
Balance at 1 January	**6,516**	-	**3,664**	**10,180**	2,550	-	-	2,550
Impairment allowance, net	**(6,496)**	-	**30**	**(6,466)**	3,966	-	3,664	7,630
Balance at end of the period/year	**20**	-	**3,694**	**3,714**	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	**(328)**	-	-	**(328)**	(460)	(10,194)	-	(10,654)
Balance at end of the period/year	**790**	-	-	**790**	1,118	-	-	1,118
Investments carried at fair value								
Balance at 1 January	**7,889**	-	-	**7,889**	-	-	-	-
Impairment allowance, net	**(1,176)**	-	-	**(1,176)**	7,889	-	-	7,889
Balance at end of the period/year	**6,713**	-	-	**6,713**	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)
Foreign currency fluctuation,(net)	-	**(3,459)**	-	**(3,459)**	-	-	-	-
Impairment allowance, net	**(390)**	**(62,614)**	**(365)**	**(63,369)**	(1,410)	2,686	6,098	7,374
Balance at end of the period/year	**1,593**	**30,859**	**299,978**	**332,430**	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	**(2,367)**	**(90)**	-	**(2,457)**	7,116	90	-	7,206
Balance at end of the period/year	**5,761**	-	-	**5,761**	8,128	90	-	8,218

As at and for the nine-month period ended 30 September 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 September 2022 (Reviewed)				
Investments carried at fair value				
- at fair value through equity	**658,547**	**-**	**99,458**	**758,005**
- at fair value through income statement	**5,238**	**-**	**150,073**	**155,311**
Investments in real estate carried at fair value	**-**	**226,368**	**-**	**226,368**
Investments in funds carried at fair value	**77,373**	**36,400**	**-**	**113,773**
Net gains and losses included in the interim condensed consolidated statement of changes in equity	**(19,382)**	**-**	**-**	**(19,382)**
Net gains and losses included in the interim condensed consolidated income statement	**(20,001)**	**-**	**(24,376)**	**(44,377)**
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 September 2021 (Reviewed)				
Net gains and losses included in the interim condensed consolidated statement of changes in equity	4,285	-	-	4,285
Net gains and losses included in the interim condensed consolidated income statement	(684)	-	(2,198)	(2,882)

In addition to the above financial instruments, as at 30 September 2022 the Group had Sharia-compliant-risk management instruments whose fair value was positive QAR 20.6 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 nine-month period ended 30 September 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	Total losses recorded in interim condensed consolidated income statement (Reviewed)	Additions (Reviewed)	(Sales)/ transfers (Reviewed)	At 30 September 2022 (Reviewed)
Equity investments					
- at fair value through equity	**96,903**	**-**	**8,372**	**(5,817)**	**99,458**
- at fair value through income statement	**121,798**	**(24,377)**	**52,652**	**-**	**150,073**
	218,701	**(24,377)**	**61,024**	**(5,817)**	**249,531**

	At 1 January 2021	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 September 2022		30 September 2021	
	Segment Income (Reviewed)	**Segment Profit (Reviewed)**	Segment income (Reviewed)	Segment Profit /(loss) (Reviewed)
Alternative Investments	**1,940**	**12,674**	49,669	49,071
Private Bank	**57,791**	**50,595**	112,081	62,527
Other	**8,271**	**7,061**	-	(50,870)
Total	**68,002**	**70,330**	161,750	60,728

18. POTENTIAL IMPACT OF ECONOMIC UNCERTAINTY

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 September 2022, were 65% to the Base Case, 30% to Downside and 5% to the Upside Case (As at 30 September 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.