

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
LESHA BANK LLC (Public)
30 September 2024**

CONTENTS

INDEPENDENT AUDITOR'S REVIEW REPORT	1
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS:	
Interim consolidated statement of financial position.....	2
Interim consolidated statements of income	3
Interim consolidated statement of comprehensive income.....	4
Interim consolidated statement of income and attribution related to quasi-equity	5
Interim consolidated statement of changes in equity.....	6
Interim consolidated statement of cash flows	7
Interim consolidated statement of changes in off-balance sheet assets under management	8
Notes to the interim condensed consolidated financial statements:	
1. REPORTING ENTITY.....	9
2. BASIS OF PREPARATION.....	10
3. SIGNIFICANT ACCOUNTING POLICIES.....	10
4. CASH AND BANK BALANCES.....	13
5. FINANCING ASSETS.....	13
6. INVESTMENTS SECURITIES	14
7. ASSETS AND LIABILITIES HELD-FOR-SALE	14
8. SHARE CAPITAL.....	15
9. OTHER INCOME, NET	16
10. BASIC AND DILUTED PROFIT PER SHARE	16
11. CONTINGENT LIABILITIES.....	16
12. RELATED PARTIES TRANSACTIONS AND BALANCES	17
13. FINANCIAL RISK MANAGEMENT	18
14. FAIR VALUE OF FINANCIAL INSTRUMENTS.....	20
15. SEGMENT INFORMATION	21
16. EVENTS AFTER THE REPORTING PERIOD	21

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

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Lesha Bank L.L.C. (Public) ("the Bank") and its subsidiaries (collectively "the Group") as at 30 September 2024, comprising of the interim consolidated statement of financial position as at 30 September 2024 and the related interim consolidated statement of income, interim consolidated statement of comprehensive income, interim consolidated statement of income and attribution related to quasi-equity for the three months and nine months periods ended 30 September 2024, and the interim consolidated statements of changes in equity, interim consolidated statement of cash flows, and interim consolidated statement of changes in off-balance sheet assets under management 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
of Ernst and Young
Auditor's Registration No. 326

Date: 16 October 2024
Doha



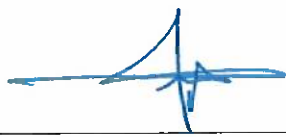
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024 (expressed in QAR'000)

	Notes	30 September 2024 (Reviewed)	31 December 2023 (Audited)
ASSETS			
Cash and bank balances	4	3,681,813	2,962,937
Financing assets	5	193,942	88,387
Investments securities	6	3,033,487	2,440,385
Investments in real estate		299,315	264,262
Fixed assets		13,641	17,396
Intangible assets		17,548	2,554
Assets held-for-sale	7	164,345	387,303
Other assets		209,293	144,849
TOTAL ASSETS		7,613,384	6,308,073
LIABILITIES, QUASI-EQUITY AND EQUITY			
Liabilities			
Financing liabilities		2,420,571	1,862,616
Customers' balances		735,960	129,904
Liabilities held-for-sale	7	13,723	112,220
Other liabilities		163,428	149,229
Total Liabilities		3,333,682	2,253,969
QUASI-EQUITY			
Participatory investment accounts		2,927,455	2,827,095
Equity			
Share capital	8	1,120,000	1,120,000
Share premium		80,003	80,003
Legal reserve		9,439	9,439
Investments fair value reserve		20,759	(3,237)
Retained earnings		126,842	30,206
Total Equity Attributable to Shareholders of the Bank		1,357,043	1,236,411
Non-controlling interest		(4,796)	(9,402)
Total Equity		1,352,247	1,227,009
TOTAL LIABILITIES, QUASI-EQUITY AND EQUITY		7,613,384	6,308,073
Off-balance sheet assets under management		6,952,570	6,188,915
Contingent liabilities and commitments	11	2,237	1

These interim condensed consolidated financial statements were authorized for issuance by the Board of Directors on 16th October 2024 and signed on its behalf by:


 Faisal bin Thani Al Thani
 Chairman


 Mohammed Ismail Al Emadi
 Chief Executive officer

The attached notes 1 to 16 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three-month and nine-month period ended 30 September 2024 (expressed in QAR'000)

		For the three-month		For the nine-month	
		period ended		period ended	
		30 September	30 September	30 September	30 September
	Notes	2024	2023	2024	2023
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
CONTINUING OPERATIONS					
INCOME					
Income from financing assets		1,954	3,174	5,343	9,326
Income from placements with financial institutions		50,764	40,632	147,171	90,896
Profit on sukuk investments		28,088	19,203	80,703	50,259
Profit on financing liabilities		(32,669)	(18,783)	(92,971)	(32,107)
Net income from financing and investing assets		48,137	44,226	140,246	118,374
Fee income		12,276	7,936	44,898	37,178
Dividend income		4,895	7,721	20,640	15,812
(Loss) / gain on re-measurement of investments at fair value through income statement		1,615	(4,548)	(5,675)	1,681
Gain on disposal of sukuk investments		-	-	396	-
Gain on disposal of equity investments		50,046	3,200	60,778	3,200
Gain on disposal of real estate investments		-	-	13,933	-
Net foreign exchange gain		942	295	2,899	5,480
Other income, net		8,129	4,269	24,301	15,983
TOTAL INCOME		126,040	63,099	302,416	197,708
EXPENSES					
Staff costs		(18,178)	(16,348)	(56,104)	(47,089)
Depreciation and amortisation		(1,580)	(1,561)	(4,749)	(4,691)
Other operating expenses		(17,823)	(5,216)	(39,483)	(12,691)
TOTAL EXPENSES		(37,581)	(23,125)	(100,336)	(64,471)
Reversal / (provision) for impairment on financing assets, net of recoveries	13	(1,560)	991	602	(2,157)
Reversal for impairment on other financial assets	13	-	5,826	96	3,626
Other provisions		(13,500)	-	(13,500)	-
PROFIT BEFORE TAX AND ATTRIBUTION TO QUASI-EQUITY		73,399	46,791	189,278	134,706
Less: Net profit attributable to quasi-equity		(28,733)	(24,755)	(88,036)	(68,316)
PROFIT BEFORE INCOME TAX		44,666	22,036	101,242	66,390
Income tax expense		-	-	-	-
NET PROFIT FROM CONTINUING OPERATIONS		44,666	22,036	101,242	66,390
DISCONTINUED OPERATIONS					
Profit / (loss) from discontinued operations, net of tax		-	(19)	-	1,263
NET PROFIT FOR THE PERIOD		44,666	22,017	101,242	67,653
Attributable to:					
Equity holders of the Bank		42,505	22,043	96,636	66,764
Non-controlling interest		2,161	(26)	4,606	889
		44,666	22,017	101,242	67,653
Basic/diluted profit per share from continuing operations - QAR		0.038	0.020	0.086	0.060
Basic/diluted profit per share from discontinued operations - QAR		-	-	-	-
Basic/diluted profit per share - QAR	10	0.038	0.020	0.086	0.060

The attached notes 1 to 16 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three-month and nine-month period ended 30 September 2024 (expressed in QAR'000)

	For the three-month period ended		For the nine-month period ended	
	30 September 2024 (Reviewed)	30 September 2023 (Reviewed)	30 September 2024 (Reviewed)	30 September 2023 (Reviewed)
NET PROFIT FOR THE PERIOD	44,666	22,017	101,242	67,653
OTHER COMPREHENSIVE INCOME				
Items that may not be subsequently classified to consolidated income statement				
Fair value changes of equity-type investments carried at fair value through other comprehensive income	2,548	-	3,116	-
Items that may be subsequently classified to consolidated income statement				
Fair value changes of debt-type investments classified as FVTOCI	46,623	(7,754)	34,774	(9,617)
Fair value changes of investment in real estate reclassified to consolidated Income statement	-	-	(13,894)	-
Total other comprehensive income for the period	49,171	(7,754)	23,996	(9,617)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	93,837	14,263	125,238	58,036
Attributable to:				
Equity holders of the Bank	91,676	14,289	120,632	57,147
Non-controlling interest	2,161	(26)	4,606	889
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	93,837	14,263	125,238	58,036

ERNST & YOUNG
Doha - Qatar
16 OCT 2024
**Stamped for Identification
Purposes Only**

The attached notes 1 to 16 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF INCOME AND ATTRIBUTION

RELATED TO QUASI-EQUITY

For the three-month and nine-month period ended 30 September 2024 (expressed in QAR'000)

	For the three-month period ended		For the nine-month period ended	
	30 September 2024 (Reviewed)	30 September 2023 (Reviewed)	30 September 2024 (Reviewed)	30 September 2023 (Reviewed)
NET PROFIT FOR THE PERIOD BEFORE ATTRIBUTION TO QUASI-EQUITY	73,399	46,791	189,278	134,706
Less: Income not attributable to quasi-equity	(36,753)	(18,010)	(76,435)	(50,693)
Add: Expenses not attributable to quasi-equity	-	-	-	-
Net profit attributable to quasi-equity holders before Bank's				
Mudaraba Income	36,646	28,781	112,843	84,013
Less: Mudarib's share	(10,994)	(8,634)	(33,853)	(25,204)
Add: Support provided by Bank	3,081	4,608	9,046	9,507
NET PROFIT ATTRIBUTABLE TO QUASI-EQUITY	28,733	24,755	88,036	68,316
OTHER COMPREHENSIVE INCOME				
Item that may be subsequently classified to consolidated statement of income				
Share in the reserve attributable to quasi-equity	-	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD	-	-	-	-
TOTAL PROFIT ATTRIBUTABLE TO QUASI-EQUITY	28,733	24,755	88,036	68,316

ERNST & YOUNG
Doha - Qatar
16 OCT 2024
Stamped for Identification
Purposes Only

The attached notes 1 to 16 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 30 September 2024 (expressed in QAR'000)

	Share capital	Share premium	Legal reserve	Investments fair value reserve	Retained earnings / (accumulated losses)	Total equity attributable to equity holders of the Bank	Non- controlling Interests	Total equity
Balance at 1 January 2024	1,120,000	80,003	9,439	(3,237)	30,206	1,236,411	(9,402)	1,227,009
Net profit for the period	-	-	-	-	96,636	96,636	4,606	101,242
Fair value adjustments	-	-	-	23,996	-	23,996	-	23,996
Balance at 30 September 2024 (Reviewed)	1,120,000	80,003	9,439	20,759	126,842	1,357,043	(4,796)	1,352,247
Balance at 1 January 2023	1,120,000	80,003	-	(14,733)	(52,383)	1,132,887	(12,216)	1,120,671
Net profit for the period	-	-	-	-	66,764	66,764	889	67,653
Fair value adjustments	-	-	-	(9,617)	-	(9,617)	-	(9,617)
Balance at 30 September 2023 (Reviewed)	1,120,000	80,003	-	(24,350)	14,381	1,190,034	(11,327)	1,178,707

ERNST & YOUNG
Doha - Qatar

16 OCT 2024

Stamped for Identification
Purposes Only

The attached notes 1 to 16 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine-month period ended 30 September 2024 (expressed in QAR'000)

		For the nine-month period ended	
		30 September	30 September
	Notes	2024	2023
		(Reviewed)	(Reviewed)
OPERATING ACTIVITIES			
Net profit from continuing operations		101,242	66,390
Net profit from discontinued operations before tax		-	1,263
Net profit for the period		101,242	67,653
Adjustments for non-cash items			
Depreciation and amortisation		4,749	4,691
Loss on disposal of Fixed assets		6	-
Gain on disposal of real estate Investments		(13,933)	-
Unrealised loss / (gain) on equity investments		5,675	(1,681)
Unrealised loss / (profit) on Sharia-compliant risk management instruments, net		13,328	(8,783)
(Rversal) / provision for impairment on financing assets, net	13	(602)	2,157
Reversal for impairment on other financial assets	13	(96)	(3,626)
Other provisions		13,500	-
		123,869	60,411
Changes in:			
Financing assets		(104,953)	134,955
Assets held-for-sale		(80,665)	1,411
Other assets		(64,227)	159,214
Customers' balances		606,056	(162,298)
Liabilities held-for-sale		(98,497)	(5,907)
Other liabilities		(12,629)	(47,679)
Net cash from operating activities		368,954	140,107
INVESTING ACTIVITIES			
Purchase of fixed assets & intangible		(962)	(1,669)
Proceeds from disposal of fixed assets		110	-
Investments securities		(561,219)	(392,487)
Proceeds from disposal of real estate investments		253,250	-
Net change in cash and bank balances with maturity of more than 90 days		(166,544)	(672,893)
Net cash used in investing activities		(475,365)	(1,067,049)
FINANCING ACTIVITIES			
Net change in financing liabilities		557,955	968,467
Net change in participatory investment accounts		100,360	106,544
Net cash from financing activities		658,315	1,075,011
Net increase in cash and cash equivalents		551,904	148,069
Cash and cash equivalents at the beginning of the period	4	1,892,842	1,989,167
Cash and cash equivalents at the end of the peiord	4	2,444,746	2,137,236

ERNST & YOUNG
Doha - Qatar

16 OCT 2024

Stamped for Identification
Purposes Only

The attached notes 1 to 16 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OFF-BALANCE SHEET ASSETS UNDER MANAGEMENT

For the nine-month period ended 30 September 2024 (expressed in QAR'000)

	<i>Movements during the period</i>				<i>At 30 September 2024 (Reviewed)</i>
	<i>1 January 2024</i>	<i>Investments</i>	<i>Revaluations / Gross Income</i>	<i>Dividends paid</i>	<i>Bank's Fee as an agent</i>
<i>Investments</i>					
Debt securities Portfolio	59,089	106,827	-	-	-
Equity securities portfolio	6,129,826	620,569	174,453	(99,439)	(38,755)
	<u>6,188,915</u>	<u>727,396</u>	<u>174,453</u>	<u>(99,439)</u>	<u>(38,755)</u>
					<u>6,952,570</u>

	<i>Movements during the period</i>				<i>At 30 September 2023 (Reviewed)</i>
	<i>1 January 2023</i>	<i>Investments</i>	<i>Revaluations / Gross Income</i>	<i>Dividends paid</i>	<i>Bank's Fee as an agent</i>
<i>Investments</i>					
Debt securities Portfolio	37,456	(24,552)	-	-	-
Equity securities portfolio	5,200,574	737,844	98,367	(83,483)	(16,775)
	<u>5,238,030</u>	<u>713,292</u>	<u>98,367</u>	<u>(83,483)</u>	<u>(16,775)</u>
					<u>5,949,431</u>

ERNST & YOUNG
Doha - Qatar

16 OCT 2024

Stamped for Identification
Purposes Only

The attached notes 1 to 16 form an integral part of these interim condensed consolidated financial statements.

1. REPORTING ENTITY

Lesha Bank LLC (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 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").

The interim condensed consolidated financial statements of the Bank for the nine-month period ended 30 September 2024 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 LLC (Public).

The Bank had the following subsidiaries as at 30 September 2024 and 31 December 2023:

Subsidiaries	Activity	Effective ownership as at		Year of incorporation	Country
		30 September 2024	31 December 2023		
QFB Money Market Fund 1	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 four Accommodation LLC	Construction	70.0%	70.0%	2017	Qatar
3130 Fairview GEG, LLC*	Owning and leasing real estate	98.0%	97.6%	2019	USA
Fairview Investor Corp.*	Leasing real estate	98.0%	97.6%	2019	USA
LB Healthcare Fund 1	Investments	100.0%	0.0%	2024	Cayman Islands
QFB Investments I Ltd.	Investments	100.0%	100.0%	2022	Cayman Islands
QFB Private Equity Ltd.	Investments	100.0%	100.0%	2022	Cayman Islands
LB RE Equity Fund 1	Investments	100.0%	100.0%	2023	Cayman Islands
LB Education	Investments	100.0%	100.0%	2023	Cayman Islands
QFB Information Technologies LLC	Investments	100.0%	100.0%	2022	Qatar
QFB Sharia-Compliant Global PE FoF2	Investments	100.0%	100.0%	2022	Cayman Islands
QFB Hospitality Ltd.	Investments	100.0%	100.0%	2022	Cayman Islands
LB Credit Fund 1	Investments	100.0%	100.0%	2022	Cayman Islands

*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 2023. In addition, results for the nine-month period ended 30 September 2024 are not necessarily indicative of results that may be expected for the financial year ending 31 December 2024.

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 2023.

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 2023, except for the adoption of the following standards and amendments to standards effective from 1 January 2024.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1. New standards, interpretations and amendments issued and effective

3.1.1. 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.

The Group has adopted the standard and applied changes in certain presentation and disclosures in the interim consolidated financial statements for the period. The Group shall implement any subsequent guidelines or amendments to the standard that may be issued by the QFCRA. The adoption of this standard did not have any significant impact on recognition and measurement.

Some of the significant revisions to the standard are as follows:

- i. Revised conceptual framework is now an integral part of the AAOIFI FASs;
- ii. Definition of quasi-equity is introduced as a broader concept that will include the "unrestricted investment accounts" and other transactions under similar structures. Similarly, the wider term of "off-balance sheet assets under management" is now being used instead of "restricted investment accounts";
- iii. Definitions have been modified and improved;
- iv. Concept of comprehensive income has been introduced, with the option to prepare one statement that is a combination of statement of income and statement of other comprehensive income, or to prepare the two statements separately. The Group elected to prepare the two statements separately;
- v. Institutions other than Banking institutions are allowed to classify assets and liabilities as current and non-current;
- vi. Disclosure of Zakah and Charity have been relocated to the notes to the financial statements;
- vii. True and fair override has been introduced;
- viii. Treatment for change in accounting policies, change in estimates and correction of errors has been introduced;
- ix. Disclosures of related parties, subsequent events and going concern have been improved;
- x. Improvement in reporting for foreign currency and segment reporting; and
- xi. Presentation and disclosure requirements have been divided into three parts. First part is applicable to all institutions, second part is applicable only to Islamic banks and similar IFIs and third part prescribes the authoritative status, effective date and amendments to other AAOIFI FASs

3.1.2. 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". The standard does not have any impact on these interim condensed consolidated financial statements as it is applicable to Islamic finance windows.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3.2.1. FAS 46 - Off-Balance sheet Assets Under Management

AAOIFI has issued FAS 46 in 2023. This standard prescribes the criteria for characterisation of off-balance sheet assets under management, and the related principles of financial reporting in line with the "AAOIFI Conceptual Framework for Financial Reporting". The standard encompasses the aspects of recognition, derecognition, measurement, selection and adoption of accounting policies, related to off-balance-sheet assets under management, as well as certain specific aspects of financial reporting such as impairment and onerous commitments by the institution. The standard also includes the presentation and disclosure requirements particularly aligning the same with the requirements of the revised FAS 1 "General Presentation and Disclosures in the Financial Statements" in respect of the statement of changes in off-balance sheet assets under management. This standard, along with, FAS 45 "Quasi-Equity (Including Investment Accounts)", supersedes the earlier FAS 27 "Investment Accounts". This standard shall be effective for the financial periods beginning on or after 1 January 2026 and shall be adopted at the same time of adoption of FAS 45 - Quasi-Equity (Including Investment Accounts)

3.2.2. FAS 47 - Transfer of Assets Between Investment Pools

AAOIFI has issued FAS 47 in 2023. This standard prescribes the financial reporting principles and disclosure requirements applicable to all transfers between investment pools related to (and where material, between significant categories of) owners' equity, quasi-equity and off-balance sheet assets under management of an institution. It requires adoption and consistent application of accounting policies for such transfers in line with Shari'ah principles and rules and describes general disclosure requirements in this respect. This standard shall be effective for the financial periods beginning or after 1 January 2026 and supersedes the earlier FAS 21 "Disclosure on Transfer of Assets".

QFCRA regulations with respect to accounting treatment of equity investments at fair value through equity

QFCRA issued an instruction dated 4 October 2020 on accounting treatment for investments in equity instruments to ensure that harmonisation is achieved between QFCRA-regulated conventional banks and Islamic banks.

Key changes in accounting of equity-type investments classified as fair value through equity:

Subsequent measurement

FAS 33's exemption to carry equity investments at cost less impairment, when a reliable measure of fair value when on a continuous basis cannot be determined, was removed.

Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value and are reported as part of fair value reserve within equity statement.

Cumulative gains and losses recognised as part of fair value reserve within equity are transferred to retained earnings on disposal of equity investments at fair value through equity.

The regulation is effective from the financial reporting beginning on or after 1 January 2020. The new regulation did not have any impact on these interim condensed consolidated financial statements.

4. CASH AND BANK BALANCES

	30 September 2024 (Reviewed)	31 December 2023 (Audited)
Cash in hand	35	35
Balances with banks (current accounts)	190,122	257,716
Placements with financial institutions	3,495,599	2,709,557
Provision for impairment	(3,943)	(4,371)
	3,681,813	2,962,937
Less: cash and bank balances with maturity of more than 90 days	(1,241,010)	(1,074,466)
Add: provision for impairment (non-cash)	3,943	4,371
Cash and cash equivalents	2,444,746	1,892,842

5. FINANCING ASSETS

	30 September 2024 (Reviewed)	31 December 2023 (Audited)
Murabaha financing	295,953	310,625
Deferred investment sales	250,765	90,087
Others	31,200	49,973
Total financing assets	577,918	450,685
Deferred profit	(45,760)	(23,487)
Provision for impairment on financing assets	(338,216)	(338,811)
Net financing assets	193,942	88,387

6. INVESTMENTS SECURITIES

	30 September 2024 (Reviewed)	31 December 2023 (Audited)
<i>Classified as fair value through income statement</i>		
- Equity type (unquoted)	625,244	424,978
- Fund type	274,898	273,410
	900,142	698,388
<i>Debt-type classified at amortised cost</i>		
- Debt type sukuk investments*	60,203	100,666
<i>Classified as fair value through other comprehensive income</i>		
- Equity type (quoted)	51,664	-
- Equity type (unquoted)	84,119	79,385
- Debt type sukuk investments*	1,937,359	1,561,946
	2,073,142	1,641,331
	3,033,487	2,440,385

Loss on re-measurement of investments at fair value through income statement for the nine-month period ended 30 September 2024 was QAR 5.7 million (for the nine-month period ended 30 September 2023: a gain of QAR 1.7 million).

*As at 30 September 2024, the Bank recognized a positive fair value adjustment of QAR 34.8 million (for the nine-month period ended 30 September 2023: a negative fair value of QAR 9.6 million) related to these sukuk investments and a positive fair value of QAR 3.0 million on listed equity investments. Sukuk investments of nominal value of QAR 697.8 million (fair value of QAR 722.1 million) of the Group have been pledged as security for bank financing liabilities of QAR 600.2 million of the Group.

7. ASSETS AND LIABILITIES HELD-FOR-SALE

	30 September 2024 (Reviewed)	31 December 2023 (Audited)
Assets of disposal groups classified as held-for-sale	-	296,788
Equity investments held-for-sale	164,345	90,515
Total	164,345	387,303
Liabilities of disposal group classified as held-for-sale	13,723	112,220

7. ASSETS AND LIABILITIES HELD-FOR-SALE (continued)

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

7.1.1 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.

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 98.04% in real estate property (the "Fair view"). These US real estate properties thereafter are leased under Ijarah terms.

During the period, these investments are reclassified to continuing operations.

7.1.2 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 & 2024, the Bank entered into a structure to invest in a private equity within Europe. The remaining unsold portion of QAR 164.3 million has been classified as assets held for sale in the interim condensed consolidated financial statements.

Acquisition of the Bereke Bank in the Republic of Kazakhstan

During the period, the Bank entered into a sale and purchase agreement to acquire the full shares of a foreign bank (Bereke Bank) located in the Republic of Kazakhstan. The total consideration for the acquisition is 65 billion Kazakh Tenge (equivalent to USD 134,899,552 based on the exchange rate at the time of completion) (*refer note 16*).

8. SHARE CAPITAL

	30 September 2024 (Reviewed)	31 December 2023 (Audited)
Authorized		
2,500,000,000 ordinary shares of QAR 1 each	<u>2,500,000</u>	<u>2,500,000</u>
Issued and paid		
1,120,000,000 ordinary shares of QAR 1 each	<u>1,120,000</u>	<u>1,120,000</u>

9. OTHER INCOME, NET

	For the nine-month period ended	
	30 September 2024	30 September 2023
Rental income from investments in real estate	20,194	12,691
Financing cost	-	(196)
Net rental income from investment in real estate	20,194	12,495
Miscellaneous income	4,107	3,488
	24,301	15,983

10. 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 nine-month period ended	
	30 September 2024 (Reviewed)	30 September 2023 (Reviewed)
<i>Basic and diluted profit per share</i>		
Net profit attributable to the equity holders of the Bank from continuing operations	96,636	66,390
Net profit attributable to the equity holders of the Bank from discontinued operations	-	374
Net Profit attributable to the equity holders of the Bank	96,636	66,764
Total weighted average number of shares (thousand)	1,120,000	1,120,000
Basic and diluted profit per share from continuing operations - QAR	0.086	0.060
Basic and diluted profit per share from discontinued operations - QAR	-	-
Basic and diluted profit per share - QAR	0.086	0.060

11. CONTINGENT LIABILITIES

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

	30 September 2024 (Reviewed)	31 December 2023 (Audited)
Unutilised credit facilities	2,237	1
	2,237	1

Contingent liabilities related to Sharia-compliant-risk-management instruments, representing notional amounts, amounted to QAR 1,390.3 million (31 December 2023: QAR 995.1 million).

12. 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 2024			
	Associates	Other*	Total
	(Reviewed)	(Reviewed)	(Reviewed)
<i>a) Consolidated statement of financial position as at</i>			
Other assets	-	9,100	9,100
Customers' balances	-	31,501	31,501
Liabilities held-for-sale	13,723	-	13,723
<i>b) Consolidated income statement for the nine-month period ended</i>			
Other operating expenses	-	(1,136)	(1,136)
<i>c) Off balance sheet instruments as at</i>			
Assets under management	-	146,009	146,009

31 December 2023			
	Associates	Other*	Total
	(Audited)	(Audited)	(Audited)
<i>a) Consolidated statement of financial position as at</i>			
Financing assets	7,138	-	7,138
Other assets	-	9,100	9,100
Customers' balances	-	22,006	22,006
Liabilities held-for-sale	13,723	-	13,723
<i>b) Off balance sheet instruments as at</i>			
Asset under management	-	93,173	93,173

Transactions with related parties for the corresponding period are as follows:

30 September 2023			
	Associates	Other*	Total
	(Reviewed)	(Reviewed)	(Reviewed)
<i>c) Consolidated income statement for the nine-month period ended</i>			
Income from financing assets	836	-	836
Dividend income	2,330	-	2,330
Reversal for impairment of financing assets	(8,887)	-	(8,887)
Other operating expenses	-	(1,002)	(1,002)

12 RELATED PARTIES TRANSACTIONS AND BALANCES (Continued)

Key management compensation is presented below:

	For the nine-month period ended	
	30 September 2024 (Reviewed)	30 September 2023 (Reviewed)
<i>Key management personnel compensation :</i>		
Senior management personnel	6,150	11,072
Shari'a Supervisory Board remuneration	385	345
	6,535	11,417

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

13. 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 2023.

Exposures

	30 September 2024			
	Stage 1	Stage 2	Stage 3	Total
Cash and bank balances	3,682,116	-	3,640	3,685,756
Investments carried at amortised cost	61,644	-	-	61,644
Investments carried at fair value	1,947,099	-	-	1,947,099
Financing assets	151,495	68,225	312,438	532,158
Off balance sheet instruments, subject to credit risk	2,237	-	-	2,237
	5,844,591	68,225	316,078	6,228,894

	31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
Cash and bank balances	2,963,668	-	3,640	2,967,308
Investments carried at amortised cost	101,954	-	-	101,954
Investments carried at fair value	1,571,507	-	-	1,571,507
Financing assets	38,001	87,685	301,512	427,198
Off balance sheet instruments, subject to credit risk	1	-	-	1
	4,675,131	87,685	305,152	5,067,968

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:

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 30 September 2024 (expressed in QAR'000)

13 FINANCIAL RISK MANAGEMENT (Continued)

	30 September 2024				31 December 2023			
	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	731	-	3,640	4,371	27	-	3,694	3,721
Impairment allowance, net	(428)	-	-	(428)	704	-	-	704
Write-off of provision	-	-	-	-	-	-	(54)	(54)
Balance at end of the period / year	303	-	3,640	3,943	731	-	3,640	4,371
Investments carried at amortised cost								
Balance at 1 January	1,288	-	-	1,288	869	-	-	869
Impairment allowance, net	153	-	-	153	419	-	-	419
Balance at end of the period / year	1,441	-	-	1,441	1,288	-	-	1,288
Investments carried at fair value								
Balance at 1 January	9,561	-	-	9,561	7,687	-	-	7,687
Impairment allowance, net	179	-	-	179	1,874	-	-	1,874
Balance at end of the period / year	9,740	-	-	9,740	9,561	-	-	9,561
Financing assets								
Balance at 1 January	6,414	30,885	301,512	338,811	1,400	35,001	299,962	336,363
Foreign currency fluctuation,(net)	-	7	-	7	-	608	-	608
Impairment allowance, net	2,333	(8,591)	5,656	(602)	5,014	(4,724)	1,550	1,840
Balance at end of the period / year	8,747	22,301	307,168	338,216	6,414	30,885	301,512	338,811
Other assets								
Balance at 1 January	-	-	-	-	-	-	12,659	12,659
Write-off of provision	-	-	-	-	-	-	(12,659)	(12,659)
Balance at end of the period / year	-	-	-	-	-	-	-	-
Off balance sheet instruments, subject to credit risk								
Balance at 1 January	-	-	-	-	5,703	-	-	5,703
Impairment allowance, net	-	-	-	-	(5,703)	-	-	(5,703)
Balance at end of the period / year	-	-	-	-	-	-	-	-

14. FAIR VALUE OF FINANCIAL INSTRUMENTS**14.1. 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 2024				
Investments carried at fair value				
- at fair value through equity	1,989,023	-	84,119	2,073,142
- at fair value through income statement	1,796	-	623,448	625,244
Investments in real estate carried at fair value	-	-	299,315	299,315
Investments in funds carried at fair value	80,518	-	194,380	274,898
Net gains and losses included in the consolidated statement of changes in equity	37,890	-	(13,894)	23,996
Net gains and losses included in the consolidated income statement	3,052	-	6,985	10,037
31 December 2023				
Investments carried at fair value				
- at fair value through equity	1,561,946	-	79,385	1,641,331
- at fair value through income statement	3,214	-	421,764	424,978
Investments in real estate carried at fair value	-	-	264,262	264,262
Investments in funds carried at fair value	78,850	-	194,560	273,410
Net gains and losses included in the consolidated statement of changes in equity	(1,863)	-	-	(1,863)
Net gains and losses included in the consolidated income statement	4,411	-	15,808	20,219

In addition to the above financial instruments, as at 30 September 2024 the Group had Sharia-compliant-risk management instruments whose fair value was negative QAR 13.3 million (31 December 2023: negative QAR 20 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 2023.

14 FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)**14.2. 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 2024	Total gain / (losses) recorded in consolidated income statement /equity	Additions	Disposals	At 30 September 2024
<i>Equity investments</i>					
- at fair value through equity	79,385	-	4,734	-	84,119
- at fair value through income statement	616,324	2,520	325,112	(126,128)	817,828
	695,709	2,520	329,846	(126,128)	901,947

	At 1 January 2023	Total gain / (losses) recorded in consolidated income statement /equity	Additions	Disposals	At 31 December 2023
<i>Equity investments</i>					
- at fair value through equity	99,458	(28,991)	8,918	-	79,385
- at fair value through income statement	585,254	20,920	139,066	(128,916)	616,324
	684,712	(8,071)	147,984	(128,916)	695,709

15. SEGMENT INFORMATION

Below is the information about operating segments:

	For the nine-month period ended			
	30 September 2024		30 September 2023	
	Segment income (Reviewed)	Segment Profit (Reviewed)	Segment income (Reviewed)	Segment Profit (Reviewed)
Alternative Investments	88,501	87,605	16,950	20,259
Private Bank	213,915	13,637	99,947	36,003
Other	-	-	12,495	11,391
Total	302,416	101,242	129,392	67,653

16. EVENTS AFTER THE REPORTING PERIOD

The Bank has successfully completed the acquisition of the entire share capital of "Bereke Bank" JSC in Kazakhstan. The transaction completed on 8 October 2024 and the bank syndicated a 100% stake in the structure to its investors.