

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
LESHA BANK LLC (Public)  
31 March 2023**

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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)

### 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 31 March 2023, comprising of the interim consolidated statement of financial position as at 31 March 2023 and the related interim consolidated statements of income, changes in equity and cash flows for the three-month 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

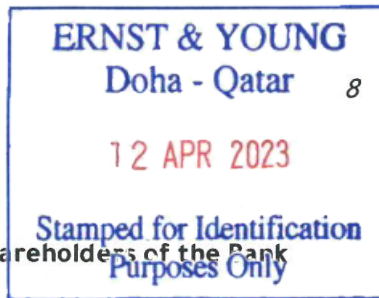
Date: 12 April 2023  
Doha



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION


As at 31 March 2023 (expressed in QAR'000)

	<i>Notes</i>	<b>31 March 2023 (Reviewed)</b>	31 December 2022 (Audited)
<b>ASSETS</b>			
Cash and bank balances	4	<b>2,079,833</b>	2,368,489
Investments carried at amortised cost		<b>179,983</b>	174,230
Investment in funds carried at fair value		<b>255,240</b>	239,735
Financing assets	5	<b>188,281</b>	204,725
Investments carried at fair value	6	<b>1,553,171</b>	1,384,339
Investments in real estate		<b>225,368</b>	225,368
Fixed assets		<b>20,488</b>	21,562
Intangible assets		<b>1,732</b>	1,951
Assets held-for-sale	7	<b>431,753</b>	403,480
Other assets		<b>41,086</b>	225,917
<b>TOTAL ASSETS</b>		<b>4,976,935</b>	5,249,796
<b>LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS AND EQUITY</b>			
<b>Liabilities</b>			
Financing liabilities		<b>569,379</b>	742,049
Customers' balances		<b>219,047</b>	310,317
Liabilities held-for-sale	7	<b>149,304</b>	149,987
Other liabilities		<b>184,240</b>	181,843
<b>Total Liabilities</b>		<b>1,121,970</b>	1,384,196
<b>Equity of Unrestricted Investment Account Holders</b>		<b>2,711,077</b>	2,744,929
<b>Equity</b>			
Share capital	8	<b>1,120,000</b>	1,120,000
Share premium		<b>80,003</b>	80,003
Investments fair value reserve		<b>(14,151)</b>	(14,733)
Accumulated losses		<b>(30,265)</b>	(52,383)
<b>Total Equity Attributable to Shareholders of the Bank</b>		<b>1,155,587</b>	1,132,887
Non-controlling interest		<b>(11,699)</b>	(12,216)
<b>Total Equity</b>		<b>1,143,888</b>	1,120,671
<b>TOTAL LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS AND EQUITY</b>		<b>4,976,935</b>	5,249,796



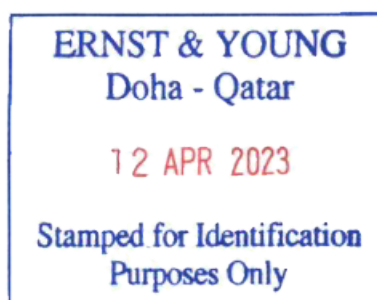
These interim condensed consolidated financial statements were authorized for issuance by the Board of Directors on 12<sup>th</sup> April 2023 and signed on its behalf by:

  
Chairman

  
Vice Chairman

The attached notes 1 to 15 form an integral part of these interim condensed consolidated financial statements.

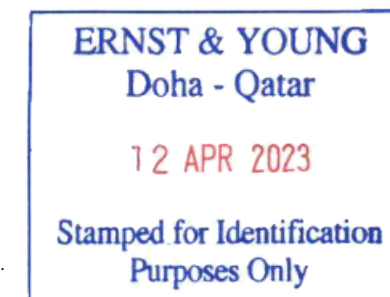
	Notes	For the three-month period ended	
		31 March 2023 (Reviewed)	31 March 2022 (Reviewed)
<b>CONTINUING OPERATIONS INCOME</b>			
Income from financing assets		4,645	1,169
Income from placements with financial institutions		24,430	1,031
Profit on the financing liabilities		(5,832)	(528)
<b>Net income from financing assets</b>		<b>23,243</b>	1,672
Fee income		20,399	8,610
Dividend income		3,193	10,064
Profit on Sukuk investments		13,834	4,343
Gain/ (loss) on re-measurement of investments at fair value through income statement		3,081	(3,823)
Loss on disposal of sukuk investments		-	(282)
Net foreign exchange gain		3,540	5,928
Other income, net	9	4,386	10,519
<b>Total Income Before Return To Unrestricted Investment Account Holders</b>		<b>71,676</b>	37,031
Return to unrestricted investment account holders		(21,292)	(10,616)
<b>TOTAL INCOME</b>		<b>50,384</b>	26,415
<b>EXPENSES</b>			
Staff costs		(18,560)	(12,903)
Depreciation and amortisation		(1,641)	(1,186)
Other operating expenses		(4,528)	(4,774)
<b>TOTAL EXPENSES</b>		<b>(24,729)</b>	(18,863)
(Provision) / reversal for impairment on financing assets, net of recoveries	13	(2,929)	4,483
(Provision) / reversal for impairment on other financial assets	13	(848)	10,459
<b>NET PROFIT BEFORE INCOME TAX</b>		<b>21,878</b>	22,494
Income tax expense		-	-
<b>NET PROFIT FROM CONTINUING OPERATIONS</b>		<b>21,878</b>	22,494
<b>DISCONTINUED OPERATIONS</b>			
Profit from discontinued operations, net of tax		757	823
<b>NET PROFIT FOR THE PERIOD</b>		<b>22,635</b>	23,317
<b>Attributable to:</b>			
Equity holders of the Bank		22,118	21,022
Non-controlling interest		517	2,295
		<b>22,635</b>	23,317
Basic/diluted profit per share from continuing operations - QAR (31 March 2022 : restated)		0.020	0.021
Basic/diluted per share from discontinued operations - QAR (31 March 2022 : restated)		-	0.001
Basic/diluted profit per share - QAR (31 March 2022 : restated)	10	<b>0.020</b>	0.022



The attached notes 1 to 15 form an integral part of these interim condensed consolidated financial statements.

	Share capital	Share premium	Investments fair value reserve	Accumulated losses	Total equity attributable to equity holders of the Bank	Non-controlling interests	Total equity
<b>Balance at 1 January 2023</b>	<b>1,120,000</b>	<b>80,003</b>	<b>(14,733)</b>	<b>(52,383)</b>	<b>1,132,887</b>	<b>(12,216)</b>	1,120,671
Net profit for the period	-	-	-	<b>22,118</b>	<b>22,118</b>	<b>517</b>	<b>22,635</b>
Fair value adjustments	-	-	<b>582</b>	-	<b>582</b>	-	<b>582</b>
<b>Balance at 31 March 2023 (Reviewed)</b>	<b>1,120,000</b>	<b>80,003</b>	<b>(14,151)</b>	<b>(30,265)</b>	<b>1,155,587</b>	<b>(11,699)</b>	<b>1,143,888</b>
Balance at 1 January 2022	700,000	203	(1,588)	(125,966)	572,649	(22,891)	549,758
Net profit for the period	-	-	-	21,022	21,022	2,295	23,317
Fair value adjustments	-	-	(2,618)	-	(2,618)	-	(2,618)
Balance at 31 March 2022 (Reviewed)	700,000	203	(4,206)	(104,944)	591,053	(20,596)	570,457

The attached notes 1 to 15 form an integral part of these interim condensed consolidated financial statements.





## CONSOLIDATED STATEMENT OF CASH FLOWS

For the three-month period ended 31 March 2023 (expressed in QAR'000)

	Notes	For the three-month period	
		31 March 2023	31 March 2022
<b>OPERATING ACTIVITIES</b>			
Net profit from continuing operations		21,878	22,494
Net profit from discontinued operations before tax		757	823
Net profit for the period		22,635	23,317
<b>Adjustments for non-cash items</b>			
Depreciation and amortisation		1,641	1,186
Unrealised (gain) / loss on equity investments		(3,081)	3,823
Unrealised loss / (gain) on Sharia-compliant risk management instruments, net		16,926	(9,725)
Provision / (reversal) for impairment on financing assets, net	13	2,929	(4,483)
Provision / (reversal) for impairment on other financial assets	13	848	(10,459)
		41,898	3,659
<b>Changes in:</b>			
Investments carried at amortised cost		(5,889)	(15,752)
Investment in funds carried at fair value		(15,505)	681
Financing assets		13,515	41,757
Investment carried at fair value		(165,388)	(133,375)
Assets held-for-sale		(28,273)	3,440
Other assets		184,831	(27,182)
Customers' balances		(91,270)	757,370
Liabilities held-for-sale		(683)	(1,600)
Other liabilities		(14,681)	6,190
<b>Net cash (used in) / from operating activities</b>		<b>(81,445)</b>	<b>635,188</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of fixed assets & intangible		(348)	(246)
Net change in cash and bank balances with maturity of more than 90 days		(632,467)	-
<b>Net cash used in investing activities</b>		<b>(632,815)</b>	<b>(246)</b>
<b>FINANCING ACTIVITIES</b>			
Net change in financing liabilities		(172,670)	(59,771)
Net change in equity of unrestricted investment account holders		(33,852)	176,386
<b>Net cash (used in) / from financing activities</b>		<b>(206,522)</b>	<b>116,615</b>
Net (decrease) / increase in cash and cash equivalents		(920,782)	751,557
Cash and cash equivalents at the beginning of the period		1,989,167	1,621,218
<b>Cash and cash equivalents at the end of the period</b>	4	<b>1,068,385</b>	<b>2,372,775</b>



The attached notes 1 to 15 form an integral part of these interim condensed consolidated financial statements.

## 1. REPORTING ENTITY

Lesh 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 4<sup>th</sup> 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 “Lesh Bank”.

The interim condensed consolidated financial statements of the Bank for the three-month period ended 31 March 2023 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 Lesh Bank LLC (Public).

The Bank had the following subsidiaries as at 31 March 2023 and 31 December 2022:

Subsidiaries	Activity	Effective ownership as at		Year of incorporation	Country
		31 March 2023	31 December 2022		
Isnad for Catering & Services QSCC	Catering	75.0%	75.0%	2012	Qatar
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	97.0%	97.0%	2019	USA
Fairview Investor Corp.*	Leasing real estate	97.0%	97.0%	2019	USA
QFB Investments I Ltd.	Investments	100.0%	100.0%	2022	Cayman Islands
QFB Private Equity Ltd.	Investments	100.0%	100.0%	2022	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
QFB Sharia-Compliant Global Real Estate Fund of Funds	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 2022. In addition, results for the three-month period ended 31 March 2023 are not necessarily indicative of results that may be expected for the financial year ending 31 December 2023.

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 2022.

## 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 2022, except for the adoption of the following standards and amendments to standards effective from 1 January 2023.

### 3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***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 consolidated financial statements.

#### **3.1. New standards, interpretations and amendments issued and effective**

##### *3.1.1. FAS 39 - Financial Reporting for Zakah*

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.

The application of this standard did not have a material impact on these interim condensed consolidated financial statements.

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

##### *3.2.1. 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. 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.

**3 SIGNIFICANT ACCOUNTING POLICIES** (Continued)**3.2. New standards, amendments and interpretations issued but not yet effective and not early adopted (continued)***3.2.2. 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". This standard shall be effective for the financial periods beginning on or after 1 January 2024 with early adoption permitted.

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

**4. CASH AND BANK BALANCES**

	<b>31 March 2023 (Reviewed)</b>	31 December 2022 (Audited)
Cash in hand	<b>35</b>	35
Balances with banks (current accounts)	<b>205,516</b>	387,292
Placement with financial institutions	<b>1,878,344</b>	1,984,883
Provision for impairment	<b>(4,062)</b>	(3,721)
	<b>2,079,833</b>	2,368,489
Less: cash and bank balances with maturity of more than 90 days	<b>(1,015,510)</b>	(383,043)
Add: provision for impairment (non-cash)	<b>4,062</b>	3,721
Cash and cash equivalents	<b>1,068,385</b>	1,989,167

**5. FINANCING ASSETS**

	<b>31 March 2023 (Reviewed)</b>	31 December 2022 (Audited)
Murabaha financing	<b>416,912</b>	423,416
Deferred investment sales	<b>90,087</b>	90,087
Others	<b>37,093</b>	36,308
<b>Total financing assets</b>	<b>544,092</b>	549,811
Deferred profit	<b>(15,994)</b>	(8,723)
Provision for impairment on financing assets	<b>(339,817)</b>	(336,363)
<b>Net financing assets</b>	<b>188,281</b>	204,725

**6. INVESTMENTS CARRIED AT FAIR VALUE**

	<b>31 March 2023 (Reviewed)</b>	31 December 2022 (Audited)
Investments at fair value through equity	<b>1,054,106</b>	958,312
Investments at fair value through income statement	<b>499,065</b>	426,027
	<b>1,553,171</b>	1,384,339

Gain on re-measurement of investments at fair value through income statement for the three-month period ended 31 March 2023 was QAR 3 million (for the three-month period ended 31 March 2022: a loss of QAR 3.1 million).

**6.1. Investments at fair value through equity**

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

	<b>31 March 2023 (Reviewed)</b>	31 December 2022 (Audited)
Equity-type investments	<b>108,376</b>	99,458
Debt-type sukuk investments*	<b>945,730</b>	858,854
	<b>1,054,106</b>	958,312

\*As at 31 March 2023, the Bank carried a negative fair value adjustment of QAR 14.1 million (for the three-month period ended 31 March 2022: a negative fair value of QAR 4.2 million) related to these sukuk investments. Sukuk investments of nominal value of QAR 147.8 million (fair value of QAR 154 million) of the Group have been pledged as security for bank financing liabilities of QAR 109 million of the Group.

**7. ASSETS AND LIABILITIES HELD-FOR-SALE**

	<b>31 March 2023 (Reviewed)</b>	31 December 2022 (Audited)
Assets of disposal groups classified as held-for-sale	<b>342,045</b>	295,052
Equity investments held-for-sale	<b>89,708</b>	108,428
Total	<b>431,753</b>	403,480
Liabilities of disposal group classified as held-for-sale	<b>149,304</b>	149,987

## **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.

##### *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"); (ii) during the period, the bank acquire 95 % stake in real estate property (the "Phase II of Healthcare Technology Company Headquarters") (altogether referred as "US Real Estate Structures"). These US real state properties thereafter are leased under Ijarah terms. As of 31<sup>st</sup> March 2023, the bank sold 77.4% in Phase II of Healthcare Technology Company Headquarters to its investors from its acquired stake. The bank reclassified the remaining stake of QAR 32.2 million to equity investments held-for-sale.

##### *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 31 March 2023, the Bank sold a 71% stake out of 100% in the UK Real Estate Structure to its investors.

As at 31 March 2023, 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 304.4 million and QAR 97.2 million, respectively.

#### **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, the Bank entered into a structure to invest in a private equity within Europe. The remaining unsold portion of QAR 89.8 million has been classified as assets held for sale in the financial statements.

**8. SHARE CAPITAL**

	<b>31 March 2023 (Reviewed)</b>	31 December 2022 (Audited)
<b>Authorized</b>		
2,500,000,000 ordinary shares of QAR 1 each	<b>2,500,000</b>	2,500,000
<b>Issued and paid</b>		
1,120,000,000 ordinary shares of QAR 1 each (31 December 2022: 1,120,000,000)	<b>1,120,000</b>	1,120,000
Beginning of the reporting period	<b>1,120,000</b>	700,000
Rights share issued	-	420,000
In issued at	<b>1,120,000</b>	1,120,000

In 2022, the subscription process for the rights issue was completed and 420,000,000 new ordinary shares were subscribed to or were sold through the market as per the regulatory process. This resulted in an increase in the share capital of QAR 420.0 million and share premium by QAR 79.8 million (net of expenses) aggregating to QAR 499.8 million.

**9. OTHER INCOME, NET**

	<b>For the three-month period</b>	
	<b>31 March 2023 (Reviewed)</b>	31 March 2022 (Reviewed)
Rental income from investment in Ijarah asset	<b>4,250</b>	4,283
Financing cost relating to Ijarah asset	<b>(276)</b>	(1,637)
Net rental income from investment in Ijarah asset	<b>3,974</b>	2,646
Miscellaneous income	<b>412</b>	7,873
	<b>4,386</b>	10,519

**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:

	<b>For the three-month period</b>	
	<b>31 March 2023 (Reviewed)</b>	31 March 2022 (Reviewed) (Restated)
<i>Basic and diluted profit per share</i>		
Net profit attributable to the equity holders of the Bank from continuing operations	<b>21,878</b>	19,812
Net profit attributable to the equity holders of the Bank from discontinued operations	<b>240</b>	1,210
Net Profit attributable to the equity holders of the Bank	<b>22,118</b>	21,022
Total weighted average number of shares (thousand)	<b>1,120,000</b>	970,174
Basic and diluted profit per share from continuing operations - QAR	<b>0.020</b>	0.021
Basic and diluted profit per share from discontinued operations - QAR	-	0.001
Basic and diluted profit per share - QAR	<b>0.020</b>	0.022

**11. CONTINGENT LIABILITIES**

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

	<b>31 March 2023 (Reviewed)</b>	31 December 2022 (Audited)
Unutilised credit facilities	<b>347</b>	5,552
	<b>347</b>	5,552

Contingent liabilities related to Sharia-compliant-risk-management instruments, representing notional amounts, amounted to QAR 457.3 million (31 December 2022: QAR 443.5 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:

	31 March 2023		
	Associates	Other*	Total
<i>a) Consolidated statement of financial position as at</i>			
Financing assets	13,181	-	13,181
Other assets	-	9,100	9,100
Customers' balances	-	9,701	9,701
Liabilities held-for-sale	17,779	-	17,779
<i>b) Consolidated income statement for the year ended</i>			
Income from financing assets	422	-	422
Reversal of impairment of financing assets	686	-	686
Other operating expenses	-	(331)	(331)
<i>c) Off balance sheet instruments as at</i>			
Assets under management	-	132,002	132,002

The balances of related parties as at 31 December 2022 are as follows:

	31 December 2022		
	Associates	Other*	Total
<i>a) Consolidated statement of financial position as at</i>			
Financing assets	13,790	-	13,790
Other assets	-	9,100	9,100
Customers' balances	-	10,218	10,218
Liabilities held-for-sale	17,779	-	17,779
<i>b) Off balance sheet instruments as at</i>			
Asset under management	-	141,482	141,482

Transactions with related parties for the corresponding period of nine months ended 31 March 2022 are as follows:

	31 March 2022		
	-	-	Total
<i>c) Consolidated income statement for the period ended</i>			
Dividend income	1,432	-	1,432
Reversal for impairment of financing assets	1,000	-	1,000
Other operating expenses	-	(320)	(320)

**12 RELATED PARTIES TRANSACTIONS AND BALANCES** (Continued)

Key management compensation is presented below:

	<b>31 March 2023 (Reviewed)</b>	31 March 2022 (Reviewed)
<i>Compensation of key management personnel</i>		
Senior management personnel	<b>1,421</b>	2,295
Shari'a Supervisory Board remuneration	<b>115</b>	120
	<b>1,536</b>	2,415

\* 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 2022.

*Exposures*

	<b>31 March 2023</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Cash and bank balances	<b>2,080,201</b>	-	<b>3,694</b>	<b>2,083,895</b>
Investments carried at amortised cost	<b>180,988</b>	-	-	<b>180,988</b>
Investments carried at fair value	<b>953,636</b>	-	-	<b>953,636</b>
Financing assets	<b>129,223</b>	<b>98,913</b>	<b>299,962</b>	<b>528,098</b>
Off balance sheet instruments, subject to credit risk	<b>347</b>	-	-	<b>347</b>
	<b>3,344,395</b>	<b>98,913</b>	<b>303,656</b>	<b>3,746,964</b>
	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
Cash and bank balances	2,368,516	-	3,694	2,372,210
Investments carried at amortised cost	175,099	-	-	175,099
Investments carried at fair value	866,541	-	-	866,541
Financing assets	127,667	113,459	299,962	541,088
Off balance sheet instruments, subject to credit risk	5,552	-	-	5,552
	<b>3,543,375</b>	<b>113,459</b>	<b>303,656</b>	<b>3,960,490</b>

*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:

**13 FINANCIAL RISK MANAGEMENT (Continued)**

	31 March 2023				31 December 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Cash and bank balances</b>								
Balance at 1 January	27	-	3,694	3,721	6,516	-	3,664	10,180
Impairment allowance, net	341	-	-	341	(6,489)	-	30	(6,459)
Balance at end of the period / year	368	-	3,694	4,062	27	-	3,694	3,721
<b>Investments carried at amortised cost</b>								
Balance at 1 January	869	-	-	869	1,118	-	-	1,118
Impairment allowance, net	136	-	-	136	(249)	-	-	(249)
Balance at end of the period / year	1,005	-	-	1,005	869	-	-	869
<b>Investments carried at fair value</b>								
Balance at 1 January	7,687	-	-	7,687	7,889	-	-	7,889
Impairment allowance, net	219	-	-	219	(202)	-	-	(202)
Balance at end of the period / year	7,906	-	-	7,906	7,687	-	-	7,687
<b>Financing assets</b>								
Balance at 1 January	1,400	35,001	299,962	336,363	1,983	96,932	304,954	403,869
Write-off of provision	-	-	-	-	-	-	(4,611)	(4,611)
Foreign currency fluctuation,(net)	-	525	-	525	-	(1,520)	-	(1,520)
Impairment allowance, net	1,870	1,059	-	2,929	(583)	(60,411)	(381)	(61,375)
Balance at end of the period / year	3,270	36,585	299,962	339,817	1,400	35,001	299,962	336,363
<b>Other assets</b>								
Balance at 1 January	-	-	12,659	12,659	-	-	12,659	12,659
Write-off of provision	-	-	-	-	-	-	-	-
Balance at end of the period / year	-	-	12,659	12,659	-	-	12,659	12,659
<b>Off balance sheet instruments, subject to credit risk</b>								
Balance at 1 January	5,703	-	-	5,703	8,128	90	-	8,218
Impairment allowance, net	152	-	-	152	(2,425)	(90)	-	(2,515)
Balance at end of the period / year	5,855	-	-	5,855	5,703	-	-	5,703

**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
<b>31 March 2023</b>				
Investments carried at fair value				
- at fair value through equity	<b>945,730</b>	-	<b>108,376</b>	<b>1,054,106</b>
- at fair value through income statement	<b>4,337</b>	-	<b>494,728</b>	<b>499,065</b>
Investments in real estate carried at fair value	-	-	<b>225,368</b>	<b>225,368</b>
Investments in funds carried at fair value	<b>77,898</b>	-	<b>177,342</b>	<b>255,240</b>
Net gains and losses included in the consolidated statement of changes in equity	<b>(2,618)</b>	-	-	<b>(2,618)</b>
Net gains and losses included in the consolidated income statement	<b>1,726</b>	-	<b>13,380</b>	<b>15,106</b>
<b>31 December 2022</b>				
Equity investments				
- at fair value through equity	858,854	-	99,458	958,312
- at fair value through income statement	2,687	-	423,340	426,027
Investments in real estate carried at fair value	-	-	225,368	225,368
Investments in funds carried at fair value	77,821	-	161,914	239,735
<b>31 March 2022</b>				
Net gains and losses included in the consolidated statement of changes in equity	(2,618)	-	-	(2,618)
Net gains and losses included in the consolidated income statement	(679)	-	(3,144)	(3,823)

In addition to the above financial instruments, as at 31 March 2023 the Group had Sharia-compliant-risk management instruments whose fair value was negative QAR 16.9 million (31 December 2022: negative QAR 6.8 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 2022.

**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 2023	Total losses recorded in consolidated income statement (Reviewed)	Additions (Reviewed)	(Sales)/ transfers (Reviewed)	At 31 March 2023 (Reviewed)
<i>Equity investments</i>					
- at fair value through equity	99,458	-	8,918	-	108,376
- at fair value through income statement	585,254	13,383	112,258	(38,825)	672,070
	<b>684,712</b>	<b>13,383</b>	<b>121,176</b>	<b>(38,825)</b>	<b>780,446</b>
	At 1 January 2022	Total losses recorded in consolidated income statement	Additions	(Sales)/ transfers	At 31 December 2022
<i>Equity investments</i>					
- at fair value through equity	96,903	-	8,372	(5,817)	99,458
- at fair value through income statement	121,798	(11,239)	474,695	-	585,254
	<b>218,701</b>	<b>(11,239)</b>	<b>483,067</b>	<b>(5,817)</b>	<b>684,712</b>

**15. SEGMENT INFORMATION**

Below is the information about operating segments:

	31 March 2023		31 March 2022	
	Segment income (Reviewed)	Segment Profit (Reviewed)	Segment income (Reviewed)	Segment Profit (Reviewed)
Alternative Investments	8,343	7,757	10,065	10,002
Private Bank	38,067	11,294	13,704	11,027
Other	3,974	3,584	2,646	2,288
<b>Total</b>	<b>50,384</b>	<b>22,635</b>	<b>26,415</b>	<b>23,317</b>