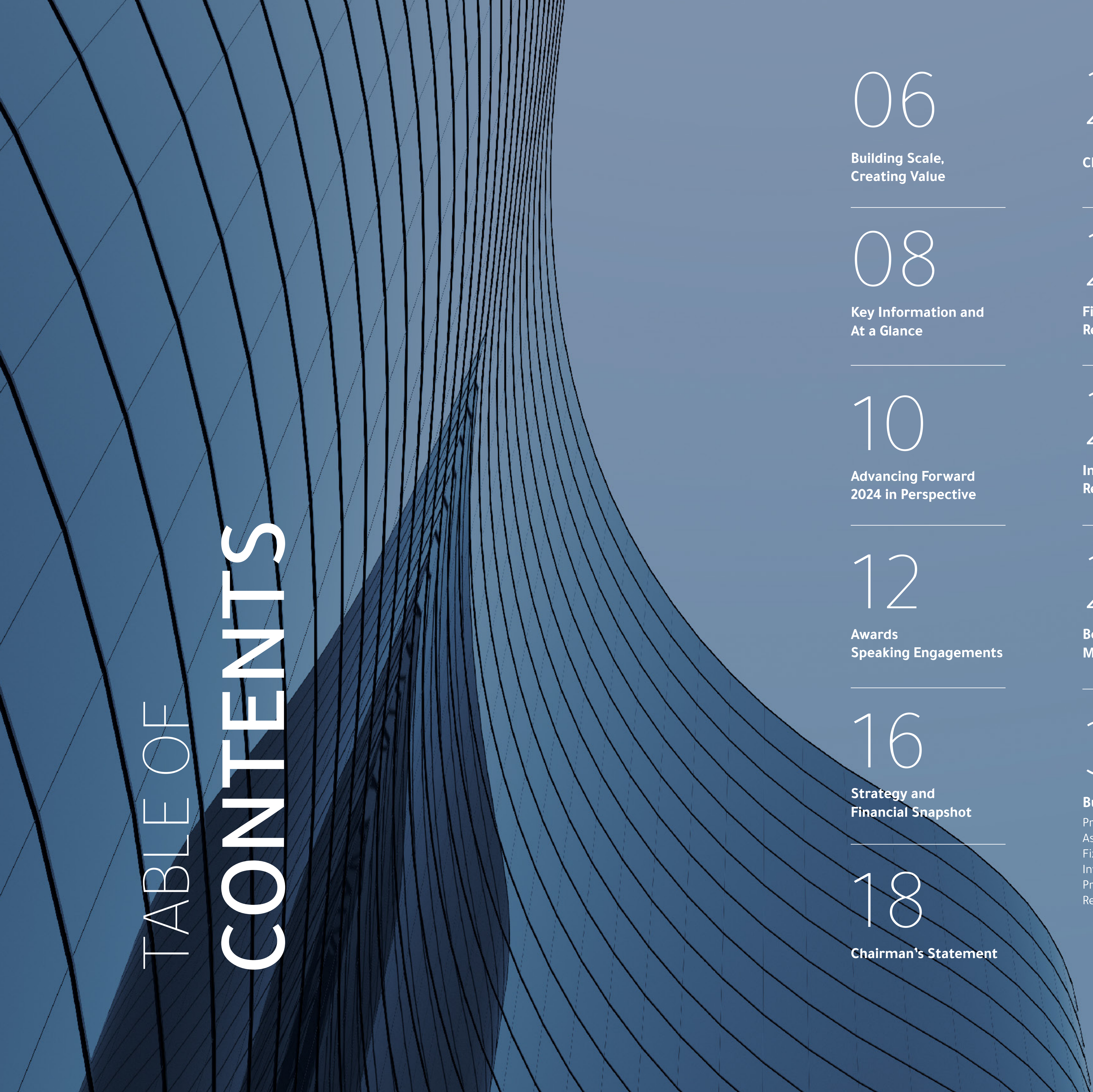
بنك لشا
LESHA BANK

ANNUAL REPORT 2024

His Highness Sheikh Tamim bin Hamad Al Thani, Amir of the State of Qatar

His Highness The Father Amir, Sheikh Hamad bin Khalifa Al Thani



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Building Scale, Creating Value

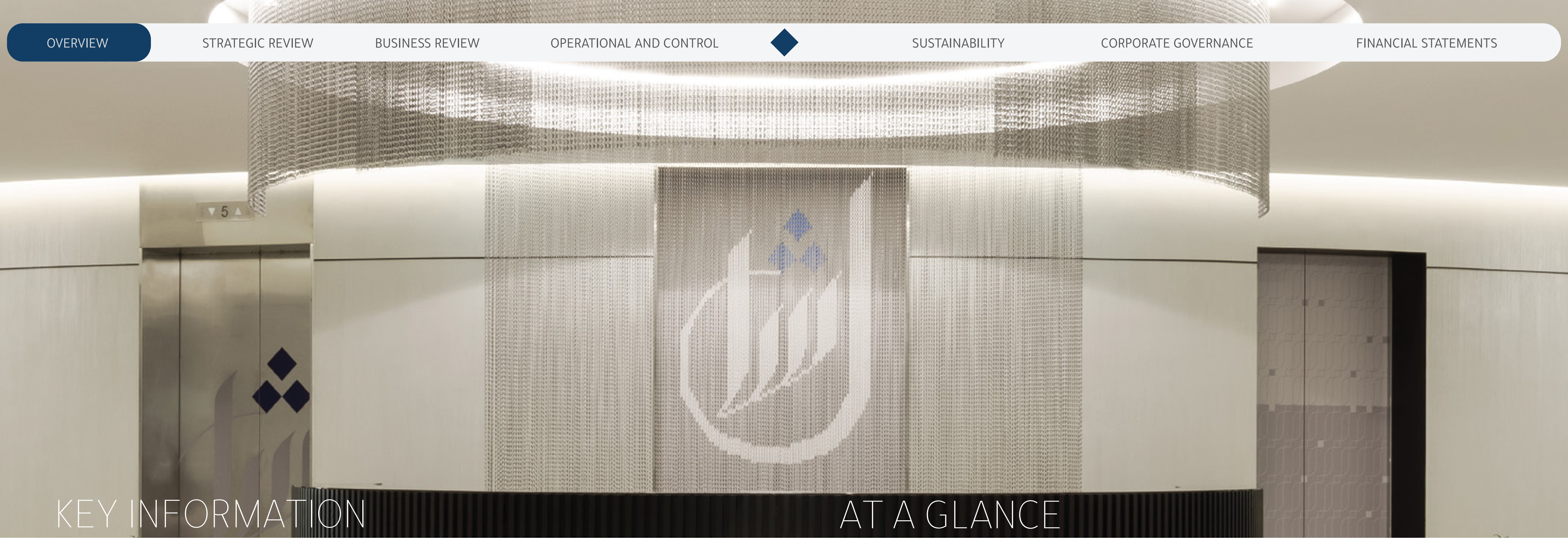
At Lesha Bank, the theme "Building Scale, Creating Value" defined our achievements in 2024, underscoring a transformative year of strategic growth and stakeholder impact. Despite global challenges, we navigated uncertainties with focus and resilience, delivering key milestones that demonstrate adaptability and a long-term vision.

Scaling our operations was instrumental in creating a stronger, more adaptable institution. By launching the Asset Management and Investment Banking Advisory divisions, we addressed diverse client needs and significantly enhanced our service portfolio. Investments in cutting-edge technology streamlined operations and empowered teams to deliver personalized solutions, fostering deeper client relationships and trust. These efforts reinforced Lesha Bank's competitive edge and supports to position us as a leader in Sharia-compliant finance.

Simultaneously, "Creating Value" underscored our commitment to innovation and stakeholder impact. Tailor-made financial solutions addressed complex client needs and unlocked new growth opportunities, while collaborations with leading global fund and asset managers broadened our capabilities and extended our market influence. These initiatives reinforced trust and loyalty, delivering benefits to stakeholders.

The year also marked a transformative step in Lesha Bank's evolution as a comprehensive wealth management partner. By integrating new services with existing expertise, we strengthened client relationships and positioned ourselves as a trusted provider of holistic investment solutions. From expanding our real estate and private equity portfolios to scaling treasury operations, every action aligned with our mission to create long-term value.

As we look back, "Building Scale, Creating Value" was more than a theme—it was a vision realized through progress and transformation. These efforts have not only fortified our foundations but prepared Lesha Bank for greater opportunities and growth in the years to come.



KEY INFORMATION

Name of the Entity
Lesha Bank LLC (Public)

Legal Structure
A limited Liability Company (Public) incorporated in the QFC

QFC License No.
00091

Date of Registration
4 September 2008

Authorized Capital
QAR 2,500,000,000

Paid up Capital
QAR 1,120,000,000

Market Capitalization
QAR 1,517,600,000
(As of 31 December 2024)

Trading Symbol
Qatar Stock Exchange
(QSE: QFBQ)

External Auditors
Ernst & Young
Elected by the Annual General Meeting for the financial year 2024

Registered Head Office
4th Floor
Tornado Tower
West Bay, Doha
Phone: + 974 4448 3333
Fax: + 974 4448 3560
www.leshabank.com
information@leshabank.com

This Annual Report was prepared and submitted for approval by the Bank's Annual General Meeting held on 24 February 2025. It contains the sections highlighted in the table of contents as well as the Corporate Governance Report, which forms an integral part of the Annual Report 2024. The Annual Report, inclusive of the Corporate Governance Report can be found on the Bank's website www.leshabank.com/investor-relations/financial-statements/

AT A GLANCE

Vision
Become a global leader in Shari`a-compliant investment banking by offering innovative investment opportunities in achieving sustainable growth.

Assets Under Management (AUM)
QAR 8.6 billion
(As of 31 December 2024)

Shari'a-Compliant
The Shari`a Supervisory board of Lesha Bank reviews and approves each deal and investment.

Established in 2008
The first independent Shari`a-compliant investment bank in Qatar authorized by the Qatar Financial Center Regulatory Authority (QFCRA) and a listed entity on Qatar Stock Exchange.

Product Offerings
Provides top-tier private wealth, asset management, investment banking advisory, private equity and real estate investment services to High-Net-Worth Individuals and well-renowned corporations and institutions, who meet our eligibility criteria.

Due Diligence Experience
Core competency in sourcing and investing in top-tier managers using in-house risk assessment tools and due diligence process.

Alignment of Interests
Lesha Bank continues to invest, in certain deals alongside its clients to show commitment and alignment of interest.

Experienced Team & Partners
Lesha Bank's global, multidisciplined approach and expansive networks allow the Bank to source unique investment opportunities globally.

Advancing Forward
2024 in Perspective

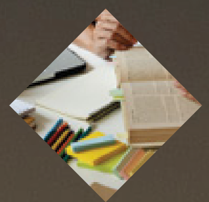
JAN

- Acquisition of Alta Federal Hill multifamily residential building in US

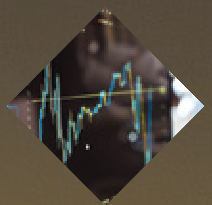
- Exit from the real estate property in Al Messila, Qatar

FEB

- Co-investment in a large education platform in the UK & Europe



- New Business Domain: Asset Management



- Annual and Extraordinary General Meeting

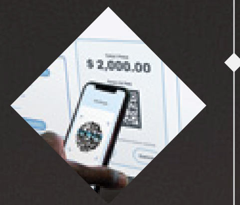
MAR

- 'Great Place to Work' Certification™ for the Second Consecutive Year

Great Place To Work. Certified QATAR

APR

- Appointment of three new board members during the Annual Ordinary Meeting



- Co-investment in a leading provider of payment integrity technology

- New Business Domain: Investment Banking Advisory

Top 30 Asset Managers 2024 Forbes

- Ranked among the Forbes Middle East Top 30 Asset Managers 2024

MAY

JUL

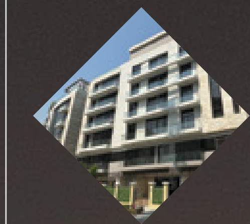
MEED MENA BANKING EXCELLENCE AWARDS 2024

- Most Effective Investment Service Offering - MEED MENA Banking Excellence Awards 2024

AUG

- Exit from David Morris International Limited

- Acquisition of residential building in the Pearl, Qatar



SEP

QIIB

- Joint Leader Manager for QIIB's Additional Tier 1 US$300 million Sukuk issuance

Estithmar Holding Q.P.S.C.

- Joint Lead Manager for Estithmar Holding's QAR 500 million Sukuk issuance

THE BANKER TOP 100 ARAB BANKS

- Ranked among The Banker Top 100 Arab Banks 2024

OCT

- Signing two MOUs with barwa Real Estate and its subsidiary Waseef

- Acquisition of the entire share capital of Bereke Bank in Kazakhstan

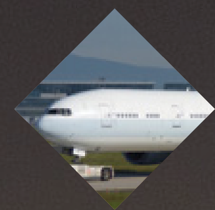
NOV

Euromoney Real Estate Awards 2024

- Qatar's Best Real Estate Investment Manager

DEC

- Acquisition of five Boeing 777-300ER Aircraft on-lease to a leading airline



AWARDS

Forbes Middle East

Top 30 Asset Managers 2024
Forbes Middle East

TOP 100 ARAB BANKS 2024

Top 100 Arab Banks
The Banker

Great Place To Work. Certified QATAR

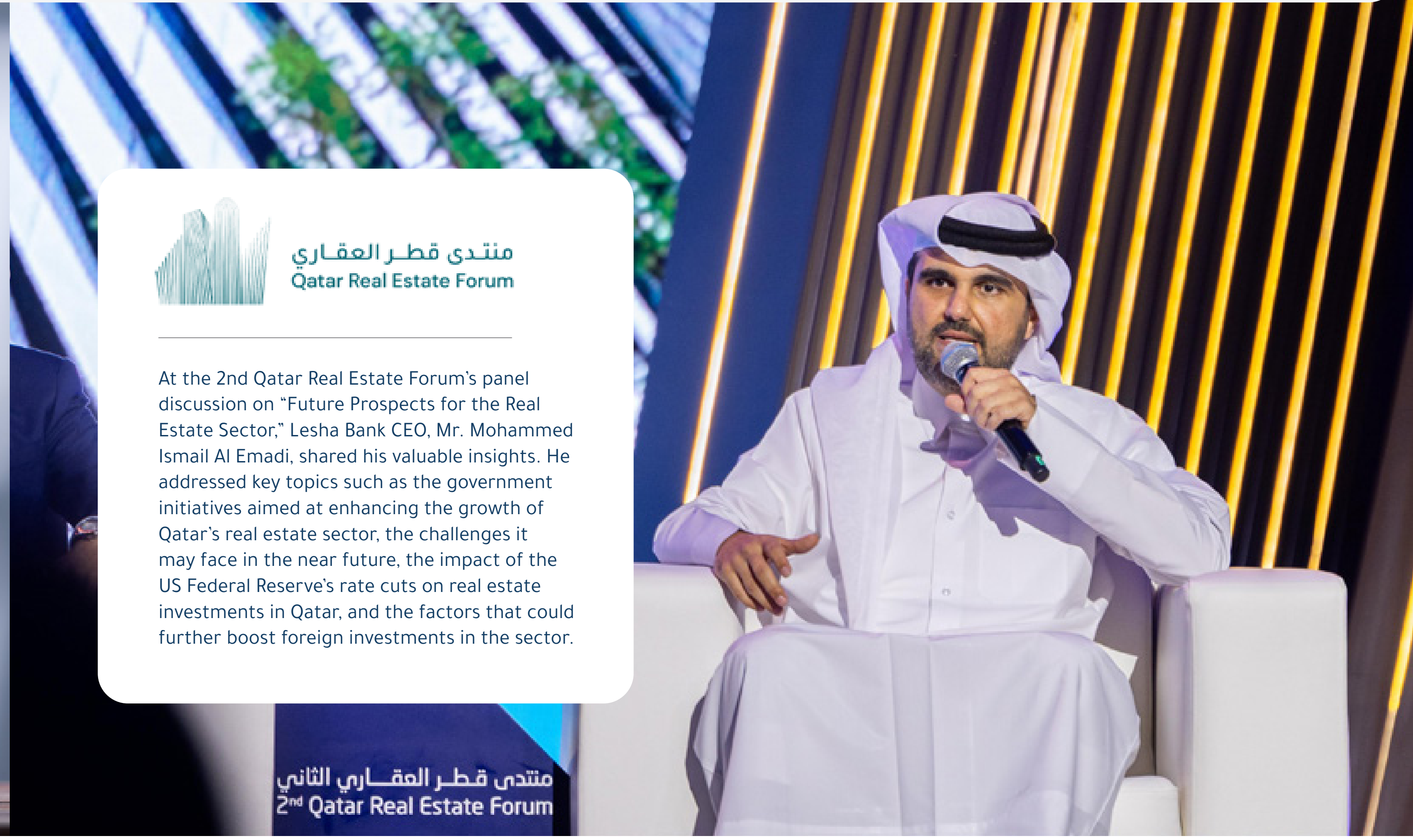
Great Place to Work Certification™
First and Only Bank in Qatar to receive the 'Great Place to Work' Certification™ for the Second Consecutive Year

EUROMONEY REAL ESTATE AWARDS 2024

Qatar's Best Real Estate Investment Manager

MEED MENA BANKING EXCELLENCE AWARDS 2024

Most Effective Investment Service Offering



منتدى قطر العقاري
Qatar Real Estate Forum

At the 2nd Qatar Real Estate Forum's panel discussion on "Future Prospects for the Real Estate Sector," Lesha Bank CEO, Mr. Mohammed Ismail Al Emadi, shared his valuable insights. He addressed key topics such as the government initiatives aimed at enhancing the growth of Qatar's real estate sector, the challenges it may face in the near future, the impact of the US Federal Reserve's rate cuts on real estate investments in Qatar, and the factors that could further boost foreign investments in the sector.

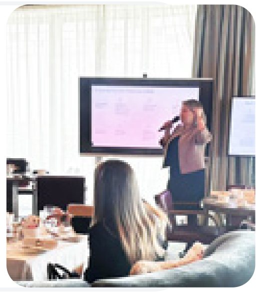
SPEAKING ENGAGEMENTS

"Investment Breakfast" private series at The Ned Doha

Investment awareness program aimed at enhancing knowledge sharing and expertise

Fulya Plas
Chief Risk Officer

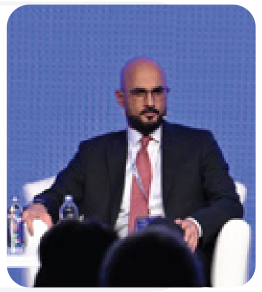
Thanwa Al Naimi
Head of Private Wealth



"Investment Themes in the MENA region"

Globalturk Capital's 6th Annual Executive Briefing on Private Capital Held in Istanbul, Turkey.

Suhaib Al Mabrouk
Head of Private Equity and Corporate Banking



"The Role of Financial Markets, Institutions, and Instruments in Financing Development"

Arab Banking Conference 2024

Mohamad Abu Khalaf
Head of Treasury

"Conventional and Islamic Trading: Insights from Leading Traders & Treasurers at Both Conventional and Islamic Banks"

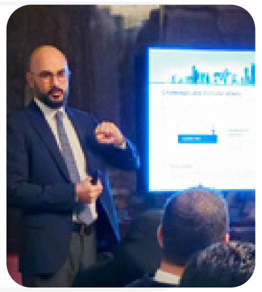
Absolute Collateral MENA Capital Markets Event 2024

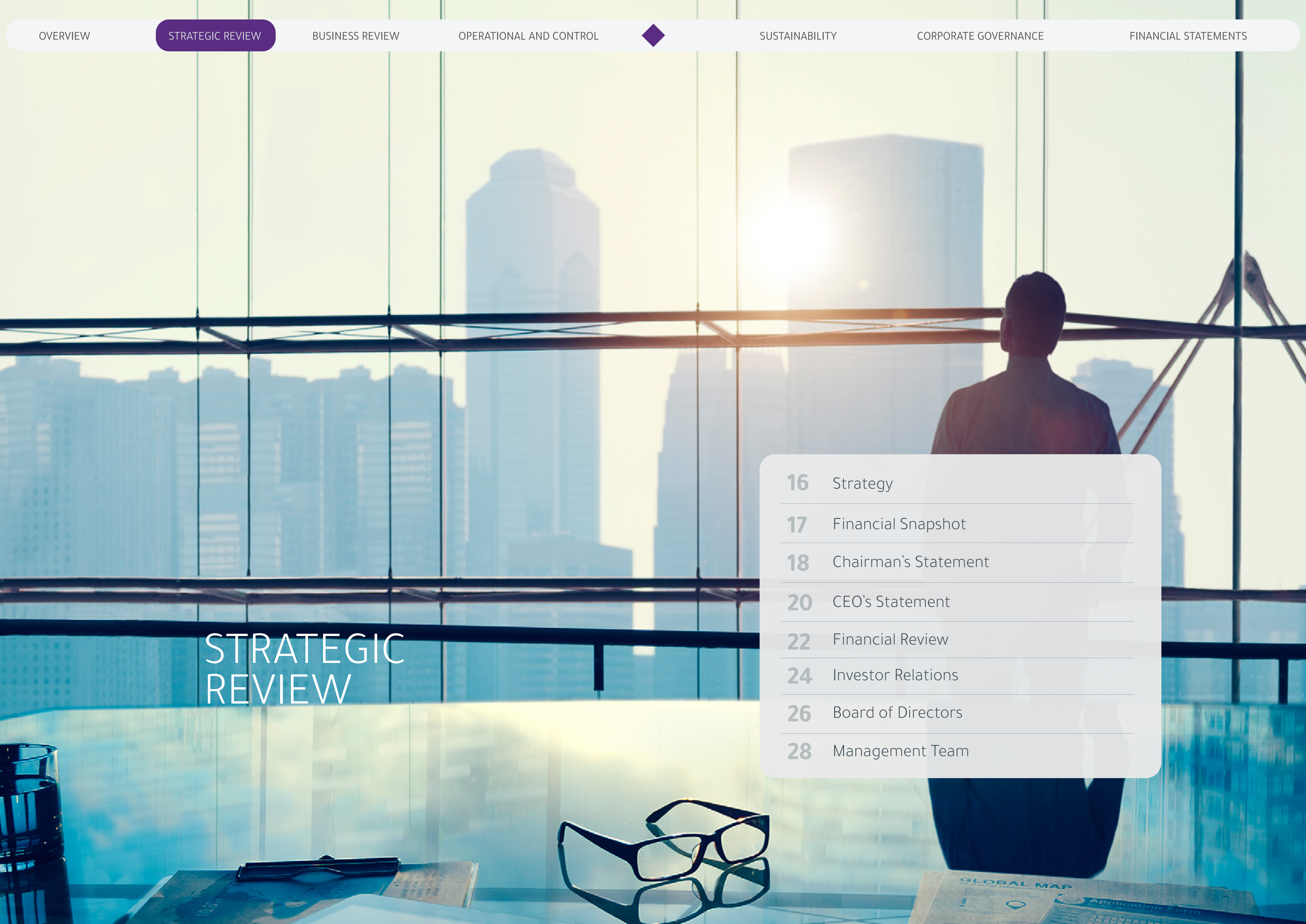
Mohamad Abu Khalaf
Head of Treasury

"Private Equity and Its Role in Diversification"

Second session of exclusive private series at The Ned Doha

Suhaib AlMabrouk
Head of Private Equity and Corporate Banking





STRATEGIC REVIEW

FINANCIAL SNAPSHOT

FINANCIAL POSITION

Total Assets	QAR 6.8 billion	+ 8% YoY
Assets Under Management	QAR 8.6 billion	+ 39% YoY
Total Investment	QAR 3.3 billion	+ 12% YoY
Total Equity *	QAR 1.3 billion	+ 9% YoY
Capital Adequacy Ratio	17.16%	19.45% (for 2023)
Book Value	QAR 1.20	

PROFITABILITY

Net Profit *	QAR 128.2 million	+ 36% YoY
Total Income	QAR 270.6 million	+ 39% YoY
Income from Placements	QAR 190 million	+ 43% YoY
Fee & Dividend Income	QAR 85.1 million	+ 4% YoY
Profit on Sukuk Investments	QAR 109.3 million	+ 50% YoY
Return on Average Equity	9.94%	
Return on Average Assets	1.95%	

* Attributable to the equity holders of the Bank

CHAIRMAN'S STATEMENT

"Strategic oversight has been integral to Lesha Bank's success in 2024.

Our focused efforts to potentially capitalize on emerging opportunities in Shari'a-compliant investments, expand into highgrowth markets, and strengthen risk management frameworks have positioned the Bank for potential success.

Over the past year, our goal has been to fortify our business with strong fundamentals, a forward-looking approach, and strategically diversified investments. These efforts have aided the Bank in targeting profitability, optimizing liquidity, and maintaining a robust balance sheet."

In the name of Allah, the Most Compassionate, the Most Merciful.

May peace and blessings be upon our Prophet Muhammad (PBUH), his family, and companions.

Dear Shareholders,

It is my honor to present to you Lesha Bank's Annual Report, marking another year of growth and innovation. The year 2024 was guided by our theme, *"Building Scale, Creating Value,"* which reflects our firm commitment to strategic expansion, operational excellence, and creating value for our stakeholders. This theme underscores our achievements in navigating a dynamic global financial landscape, focusing on resilience, and supporting our position as a leader in Shari'a-compliant investment banking.

Governance and Strategic Oversight

This year, we further strengthened our governance framework with the election of three new board members, whose diverse expertise enriches the Bank's strategic direction. Transparency, accountability, and regulatory alignment remain the cornerstones of our governance practices, ensuring we maintain the trust of our stakeholders. Notable initiatives, such as addressing unclaimed dividends, demonstrate our commitment to protecting shareholder rights and maintaining robust operational efficiency.

Strategic oversight has been integral to Lesha Bank's success in 2024. Our focused efforts to potentially capitalize on emerging opportunities in Shari'a-compliant investments, expand into high-growth markets, and strengthen risk management frameworks have positioned the Bank for potential success. Over the past year, our goal has been to fortify our business with strong fundamentals, a forward-looking approach, and strategically diversified investments. These efforts have aided the Bank in targeting profitability, optimizing liquidity, and maintaining a robust balance sheet.

Our business strategy prioritizes developing high-value products tailored to client needs, ensuring the growth of our fee-based income model. Lesha Bank's 2024 financial results underscore the contributions from different business lines and reflect the successful execution of a long-term strategy off targeting high-growth regional and developed market investments. This approach positions us for further expansion across different sectors and underpins our adaptive nature in navigating evolving market conditions. As we advance, our commitment remains on leveraging core strengths to deliver growth and value for stakeholders.

Advancing Forward: 2024 in Perspective

This year has been a milestone for Lesha Bank, marked by significant achievements across financial and operational indicators. For the full year 2024, Lesha Bank reported a net profit of QAR 128.2 million, reflecting a 36% year-over-year increase. Total Assets Under Management (AUM) grew to QAR 8.6 billion, alongside growth in total assets, total investments, and total income, demonstrating the success of our diversified investment strategies and prudent management practices.

Our business lines continued to perform to expectations, delivering solid results. The exit from David Morris further exemplified our strategic focus on optimizing the portfolio for long-term value creation. The acquisition of Bereke Bank in Kazakhstan diversified our portfolio and solidified our international footprint, reflecting our commitment to geographic and sectoral growth. Similarly, the acquisition of five Boeing 777-300ER aircraft leased to a leading airline highlighted our renewed focus on aviation and aircraft leasing.

Additionally, the introduction of two new business lines—asset management and investment banking advisory—strengthened our product offerings, reinforcing our position as a dynamic, client-focused institution. Our advisory team successfully acted as Joint Lead Manager for two key Sukuk issuances, further establishing our capability to execute meaningful transactions in Shari'a-compliant finance.

On the technological front, Lesha Bank continued to prioritize innovation and operational efficiency. With the implementation of advanced digital tools and process optimizations, we have enhanced client service capabilities and streamlined internal operations. Our sustainability initiatives also took a leap forward, as several of our U.S.-based real estate investments achieved Leadership in Energy and Environmental Design (LEED) certifications, aligning with global sustainability standards. Furthermore, improved ratings on the Qatar Stock Exchange Sustainability and ESG Dashboard underscored our commitment to responsible investing. along with ISO 14001 accreditation that emphasize our commitment to sustainability and reducing environmental impact.

Strategic Direction

Looking forward, Lesha Bank's strategic priorities are firmly rooted in diversification, innovation, and sustainability. We are focused on expanding our geographic footprint to capitalize on emerging markets, diversifying our product portfolio to address evolving client needs, and pursuing asset-light investment strategies to maximize returns. Our business operations aim to achieve safe investments supported by robust risk management and compliance frameworks, ultimately driving shareholder value.

The achievements of 2024 demonstrate how these strategic goals are embedded in our operations. For instance, the acquisition of Bereke Bank and the addition of two new business lines align with our focus on geographic and product diversification. Similarly, our prudent investment strategies—spanning real estate, aviation, education and hospitality—reflect a balance of maximizing returns while managing risk. By maintaining a client-centric approach and adhering to Shari'a-compliant principles, we continue to position Lesha Bank for growth and success.

Acknowledgment

On behalf of the Board of Directors, I extend our deepest gratitude to His Highness, the Amir, Sheikh Tamim bin Hamad Al Thani, for his wise leadership and vision. I also thank our regulators, including the Qatar Financial Centre (QFC), Qatar Financial Centre Regulatory Authority (QFCRA), Qatar Stock Exchange (QSE), and Qatar Financial Market Authority (QFMA), for their guidance and support.
I would also like to express my heartfelt thanks to our shareholders for their trust and confidence, our clients and business partners for their loyalty, and our employees for their dedication and exceptional contributions in achieving the milestones of 2024. Together, we will continue driving Lesha Bank toward a future of growth, innovation, and value creation.

Sincerely,

HE Sheikh Faisal bin Thani Al Thani
Chairman of the Board

CHIEF EXECUTIVE OFFICER'S STATEMENT

"In 2024, Lesha Bank delivered record-breaking financial performance, achieving a net profit of QAR 128.2 million, reflecting a 36% year-over-year increase. This growth underscores our disciplined approach to cost management and our focus on diversified revenue streams.

Key financial indicators demonstrated strong, positive trajectories, showcasing our ability to consistently generate value for shareholders while maintaining a robust balance sheet."

In the name of Allah, the Most Compassionate, the Most Merciful

Dear Shareholders,
It is my privilege to present to you Lesha Bank's Annual Report. This year, under the theme *"Building Scale, Creating Value,"* we have achieved significant milestones, reaffirming our commitment to achieving growth and value creation for our clients, shareholders, and stakeholders.

Key Financial Highlights
In 2024, Lesha Bank delivered record-breaking financial performance, achieving a net profit of QAR 128.2 million, reflecting a 36% year-over-year increase. This growth underscores our disciplined approach to cost management and our focus on diversified revenue streams. Key financial indicators demonstrated strong, positive trajectories, showcasing our ability to consistently generate value fo our shareholders while maintaining a robust balance sheet.

Operational Overview
Across our business lines, we demonstrated unwavering commitment to the Bank's growth. We successfully closed several strategic Shari'a-compliant investment deals, leveraging our extensive global network to capitalize on opportunities within the global investment landscape. These investments reflect our disciplined approach to balancing risk and return while fostering growth.

Our teams remained focused on building a dynamic transaction pipeline to target different income streams. Growth in Assets Under Management (AUM) and our portfolio performance highlight the success of our forward-looking strategy. The heightened demand for our bespoke investment products underscores our ability to offer diversified, client-focused solutions. Additionally, we strengthened our financial position and operational efficiency through innovative approaches, targeting adaptability and resilience. Despite market volatility and geopolitical uncertainties, Lesha Bank ended the year on a high note, closing 2024 with substantial momentum and optimism for the future.

Business Highlights
This year, Lesha Bank achieved significant progress across its business lines, underscoring our commitment to innovation and diversification.

Private Wealth Management
Lesha Bank expanded its private wealth offerings to meet the evolving needs of High Net Worth (HNW) and Ultra High Net Worth (UHNW) clients. Enhanced digital platforms, including an advanced mobile app that provide real-time portfolio insights and tailored updates, elevating our service standards and reinforcing our position in wealth management.

Asset Management
In 2024, we launched our *Asset Management* division which is a new business line led by a highly experienced team. This division focuses on managing liquid assets, particularly equities and fixed income, to meet rising demand for active asset management among institutional, HNW, and investors. Our philosophy integrates fundamental research with a macroeconomic view, ensuring superior risk-adjusted returns.

Investment Banking Advisory
Launched this year, our *Investment Banking Advisory* division made a notable impact, acting as Joint Lead Manager for two landmark Sukuk issuances: Qatar International Islamic Bank (QIIB) $300 million Additional Tier 1 capital Sukuk and Estithmar Holding's QAR 500 million Sukuk. These key deals underscore the division's early success, showcasing its ability to identify and capitalize on market opportunities across diverse industries and product categories.

Private Equity
Lesha Banks structured its aviation portfolio with the acquisition of five Boeing 777-300ER aircraft leased to a leading global airline. This strategic transaction aligns with our renewed focus on aviation and aircraft leasing, establishing this sector as a key growth pillar.

Additionally, the Bank made progress in the education and hospitality sectors, which are becoming pivotal to our *private equity* strategy. Furthermore, we completed the exit of David Morris, yielding proceeds of £35 million from our 50% stake in the company. This exit reinforces our strategic focus on realigning investments for long-term value creation.

Real Estate Investment
In January 2024, we added Alta Federal Hill, a Class A multifamily residential property in Baltimore, Maryland, USA and AP21 property in Pearl Qatar to our portfolio. Alongside pursuing regional acquisitions in Qatar and the GCC, our real estate team focused on managing existing assets, while considering sustainability and Shari'a-compliant principles.

Treasury
The *Treasury* division has played a critical role in maintaining Lesha Bank's financial resilience. Treasury managed and optimized our liquidity, supporting both short-term obligations and long-term investments. The division also expanded Shari'a-compliant treasury instruments, such as Sukuk enhancing our ability to serve a diverse client base. Additionally, our focus on Murabaha placements ensured efficient cash management while considering a low-risk profile.

Digital Transformation and Efficiency
This year marked a significant leap in our digital transformation journey. A key milestone was the successful implementation of a state-of-the-art Enterprise Resource Planning (ERP) system on the Azure cloud platform, integrating critical functions such as finance, procurement, and human resources. Additionally, we enhanced our cloud-based Customer Relationship Management (CRM) system, improving client engagement, scalability, and reliability. These initiatives collectively reinforce operational efficiency and future-readiness.

Sustainability and ESG Progress
Lesha Bank's unwavering commitment to Environmental, Social, and Governance (ESG) principles remains central to our strategy. In 2024, we improved sustainability disclosures and achieved LEED certifications for key real estate investments. Enhanced ratings on the Qatar Stock Exchange Sustainability and ESG Dashboard reflect our consideration for responsible investing and environmental stewardship. These efforts align our operations with global sustainability standards. Our recent ISO 14001 accreditation highlights our commitment to proactive environmental stewardship, focusing on minimizing our environmental footprint and ensuring compliance with applicable legal requirements.

Awards and Recognition
Lesha Bank's achievements were recognized with numerous awards this year. Notably, the bank was ranked among Forbes Middle East's Top 30 Asset Managers for 2024, showcasing our growing presence in the GCC. Additionally, we were honored as Qatar's Best Real Estate Investment Manager at the Euromoney Real Estate Awards 2024, reinforcing leadership in the sector.

The Road Ahead
As we look to the future, Lesha Bank remains steadfast in its mission of *Building Scale and Creating Value*. Expanding business lines, enhancing offerings, and adhering to Shari'a-compliant principles to guide us as we navigate challenges and seize new opportunities. Our focus on operational excellence, innovation, and sustainability is part of our mission for long-term growth.

Closing
I extend my deepest gratitude to our shareholders, the Board of Directors, clients, and employees for their trust and support. Together, we will continue driving Lesha Bank towards a future of sustainable growth and lasting value for all stakeholders.

Sincerely,

Mohammed Ismail Al Emadi
Chief Executive Officer

FINANCIAL REVIEW

Total Assets
QAR 6.8 billion + 8% YoY

Total Income
QAR 270.6 million + 39% YoY

Asstes Under Management
QAR 8.6 billion + 39% YoY

Net Profit *
QAR 128.2 million + 36% YoY

Attributable to the equity holders of the bank

Strong Profitability and Revenue Growth

Lesha Bank delivered an exceptional financial performance in 2024, achieving a net profit of QAR 128.2 million, marking a 36% year-on-year growth. This outstanding result underscores the Bank's strategic vision disciplined financial management, and commitment to long-term shareholder value.

This success was largely driven by an expansion in key investment activities, diversification of income streams, and a strong focus on operational efficiency. Key products that contributed to this growth include sukuk investments, placement income, and fee-based income from advisory services, all of which reflect the effectiveness of the Bank's investment strategies.

The Bank's total income surged to QAR 271 million, representing a 39% increase compared to the previous year. This significant growth was primarily fueled by a 50% year-on-year increase in profit from sukuk investments, which contributed QAR 109.3 million. Higher yields on placements further supported the Bank's performance, generating QAR 190 million in income for FY-2024. The steady rise in fee-based and dividend income reinforced the Bank's ability to sustain a strong earnings generation.

Expansion in Assets and Investment Portfolio

Lesha Bank's total assets expanded by 8% to QAR 6.8 billion, demonstrating prudent capital deployment and an optimized investment strategy. The Bank's total investment increased by 12% to QAR 3.3 billion, with QAR 2.02 billion allocated to sukuk investments, highlighting its ability to capitalize on high-yield opportunities and strengthen its portfolio.

The Bank also saw substantial growth in its fee-based income model, as Assets Under Management (AUM) surged by 39% to reach QAR 8.6 billion. A major portion of this increase came from real estate investments, which accounted for QAR 4.5 billion, while private equity investments contributed QAR 3.9 billion. This reflects the rising demand for Lesha Bank's tailor-made investment solutions among individual and institutional investors.

Strong Profitability Metrics and Financial Stability

Lesha Bank's profitability ratios further emphasized its financial strength. Return on average equity (ROAE) rose to 9.94%, while return on average assets (ROAA) improved to 1.95%. Earnings per share (EPS) increased to QAR 0.114, reinforcing the Bank's commitment to value creation for shareholders. The book value per share rose to QAR 1.20, further strengthening shareholder confidence.

Regulatory compliance remained a priority, with the Bank maintaining a capital adequacy ratio of 17.16%. This strong capital position ensures resilience and financial stability, reinforcing the Bank's ability to support future growth and expansion initiatives.

Strategic Acquisitions, Business Expansion, and Portfolio Optimization

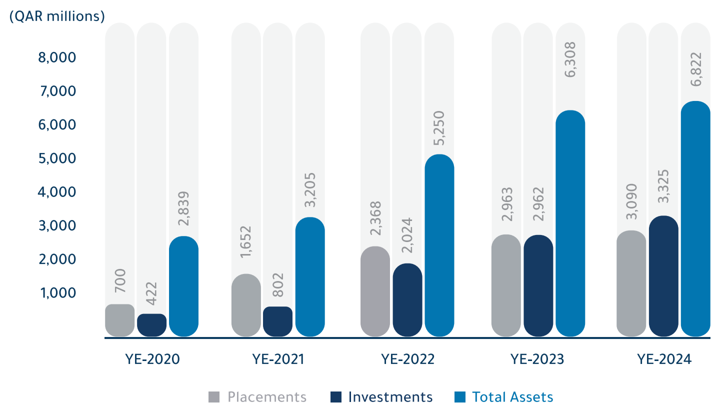
Lesha Bank enhanced its financial position through strategic acquisitions and business expansion efforts. The acquisition of Bereke Bank in Kazakhstan reinforced the Bank's international presence, aligning with its growth strategy. Investments in five Boeing 777-300ER aircraft, leased to a leading airline, diversified the Bank's asset base.

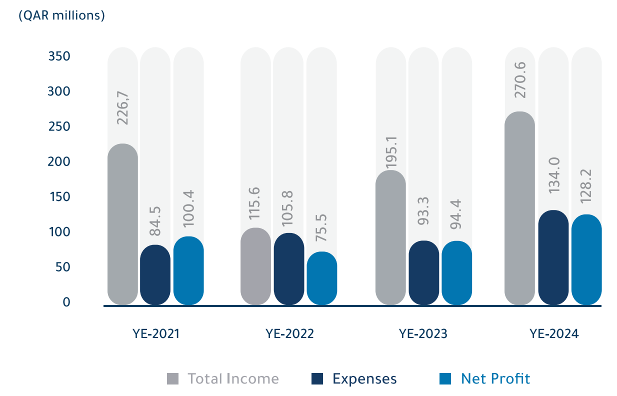
The Bank continued to expand its real estate portfolio with premium residential acquisitions in both the U.S. and Qatar. Additionally, a strategic exit from a high-value real estate property in Al Messila, Qatar, was successfully executed, capitalizing on favorable market conditions and optimizing returns. These initiatives demonstrate the Bank's ability to effectively manage its investment portfolio and maximize value for stakeholders.

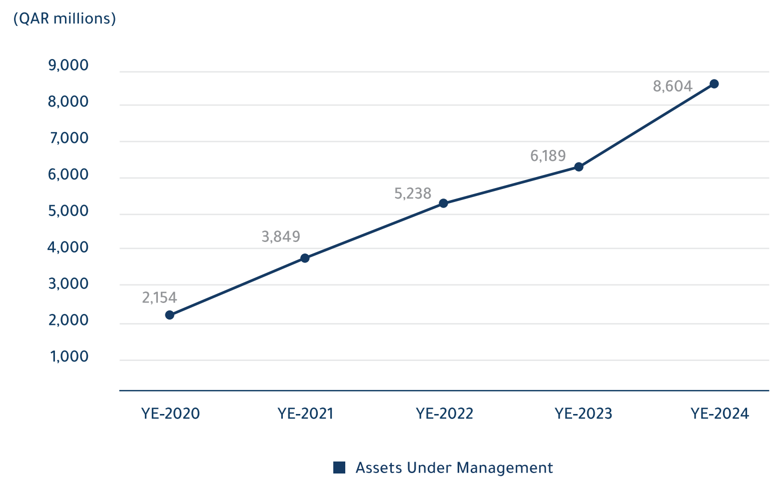
Further investments were made in high-growth sectors, including a co-investment in a major UK-based education platform and a leading provider of payment-integrity solutions to healthcare provider in US. These investments align with the Bank's strategy of targeting sectors with strong potential for long-term profitability and innovation.

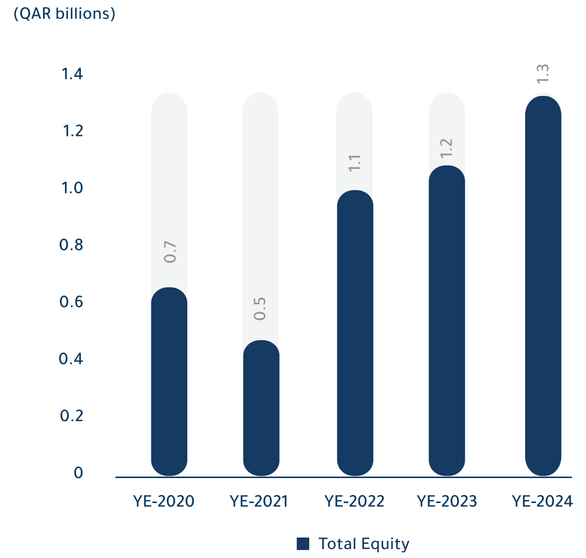
Introduction of New Business Pillars

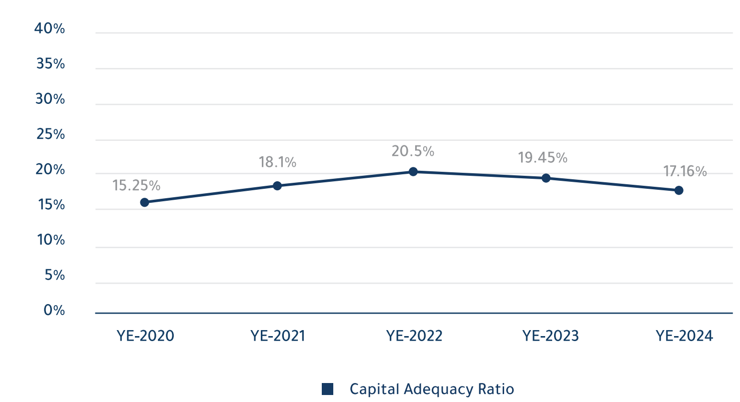
In 2024, Lesha Bank introduced two new business pillars: Asset Management and Investment Banking Advisory. The addition of these divisions expanded the Bank's service offerings and positioned it as a key player in the evolving financial landscape. These new business lines are aimed to generate increased income starting in 2025, potentially strengthening the Bank's financial performance and reinforcing its commitment to sustainable growth.

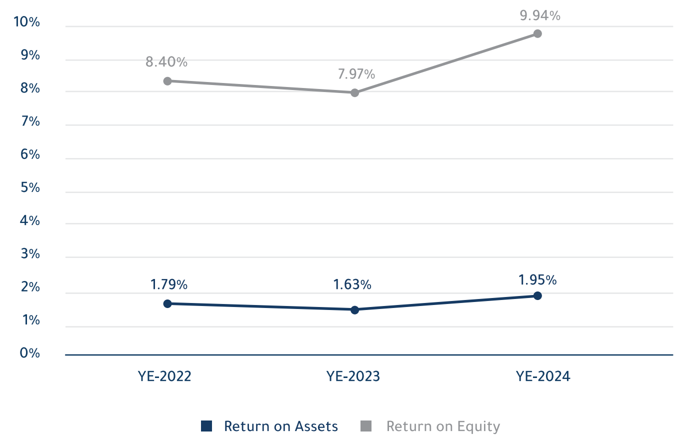












INVESTOR RELATIONS

The *Investor Relations (IR)* department serves as the vital bridge between Lesha Bank and its stakeholders, fostering transparency and trust by ensuring timely, accurate, and comprehensive communication of financial and strategic updates. The department is dedicated to maintaining strong relationships with shareholders, potential investors, and the wider financial community, aligning its activities with the highest standards of corporate governance and regulatory compliance.

In 2024, the Investor Relations department undertook several significant initiatives to enhance shareholder engagement and compliance, while supporting the bank's strategic goals:

Annual and Extraordinary General Meeting
21 February 2024

The Annual and Extraordinary General Meeting, chaired by Lesha Bank's Chairman, HE Sheikh Faisal bin Thani Al Thani, was held at Mondrian Doha, with the participation of board members, shareholders, and senior management.

The meeting covered key agenda items, including the presentation of the Chairman's report for the financial year ending December 31, 2023, and the 2024 work plan. Reports such as the Shari'a Supervisory Board report, Audited Financial Statement, External Auditor's Report, Corporate Governance Report (aligned with QFMA regulations), and the Internal Control Over Financial Reporting (ICOFR) were reviewed and approved.

Shareholders also approved the 2023 Annual Report, the Board's recommendation not to distribute dividends, and the allocation of 10% of net profit as an optional reserve. Major transactions were ratified, and board members were discharged from liabilities. Ernst & Young was re-appointed as the external auditor for 2024, with their fees approved. The Extraordinary General Meeting endorsed proposed amendments to the Articles of Association.

Dividend Distribution Agreement with Edaa Qatar
Effective from 2024, all dividend distributions for listed companies in Qatar must be conducted through Edaa.
This collaboration ensures a streamlined, standardized approach to dividend management, reinforcing the Bank's commitment to operational efficiency and shareholder satisfaction.

Board of Directors Election and Appointments
The nomination period for three seats on the Board of Directors commenced on April 23 and concluded on May 2, 2024. Following the Bank's Annual Ordinary Meeting, three new board members were officially appointed, marking a pivotal step in the ongoing evolution of Lesha Bank's leadership.

Payment of Unclaimed Dividends
Lesha Bank took proactive steps to address unclaimed dividends by initiating payments to eligible shareholders. These payments were contingent on shareholders updating their information and data with Edaa Qatar, ensuring accuracy and transparency in dividend distribution.


Mr. Mohammed Ali Al Sulaiti


Mr. Meshaal Mohamed Al Mahmoud


Mr. Abdulrahman Irfan Totonji

Annual Ordinary Meeting
28 May 2024

The Annual Ordinary Meeting, chaired by HE Sheikh Faisal bin Thani Al Thani, was held virtually via Zoom, with attendance from board members, shareholders, and senior management.

Three new board members Mr. Meshaal Mohamed Al Mahmoud, Shaha Company for Investment and Real Estate W.L.L. (represented by Mr. Abdulrahman Irfan Totonji), and Azom Real Estate Investment Company W.L.L. (represented by Mr. Mohammed Ali Al Sulaiti) were elected through a formal election process. The new members will serve until the end of the Board's current term in March 2025. Resigning board members were officially discharged from liabilities.

Key Information

Exchange	Market	Company Symbol QSE	ISIN CODE	Industry
Qatar	Main	QFBQ	QA000PLE37B1	Banks / Financial Services

Listing date:	Authorized Capital (QAR)	Paid up Capital (QAR)	Market Capitalization (QAR)
27 April 2016	2,500,000,000	1,120,000,000	1,517,600,000

Share Price details

High (QAR)	Low (QAR)
1.42	1.21
21 Feb 2024	14 Feb 2024

Major Shareholders

As of 31 December 2024, Lesha Bank's major shareholders, holding 5% and above of the Bank's shares based on our shareholder registers with Qatar Central Securities Depository (QCSD)

Major Shareholder	No of Shares	Ownership Percentage
Al Zubarah Real Estate Investment Company W.L.L	168,000,000	15%
Borooq Trading Company W.L.L	112,000,000	10%
Shift W.L.L	112,000,000	10%
Shaha Investment and Real Estate Company	112,000,000	10%
Azum Real Estate Investment Company	109,517,790	9.78%

Financial Calendar

	2023 Year End	Q1 2024	H1 2024	Q3 2024
Financials results announcement	24 Jan 2024	23 Apr 2024	23 July 2024	16 Oct 2024
Investor relations call	28 Jan 2024	25 Apr 2024	25 July 2024	17 Oct 2024

BOARD OF DIRECTORS

HE Sheikh Faisal bin Thani Al Thani
Chairman | Non-Executive Member

Representing Al Zubara Real Estate Investment Company LLC.
Re-appointed in 2022 for a term of three years

Mr. Mohammed Yousef Al Mana
Vice Chairman | Non-Executive Member

Re-elected in 2022 for a term of three years

Mr. Ibrahim Mohamed Ibrahim Al Jaidah
Non-Executive Member since incorporation

Re-elected in 2022 for a term of three years

Mr. Nasser Ali Al Hajri
Non-Executive Member

Representing Broog Trading Company W.L.L.

Appointed in 2024 until March 2025

Mr. Mohammad Nasser Al Faheed Al Hajri
Non-Executive Member since incorporation

Re-elected in 2022 for a term of three years

Mr. Mohammed Ali Al Sulaiti
Non-Executive Member

Representing Azom Real Estate Investment Company W.L..L.

Elected in 2024 until March 2025

Mr. Meshaal Mohamed Al Mahmoud
Non-Executive Member

Elected in 2024 until March 2025

Mr. Eisa Mohamad Al Mohannadi
Non-Executive Member

Representing Shift Company W.L.L.
Elected in 2022 for a term of three years

Mr. Abdulrahman Irfan Totonji
Non-Executive Member

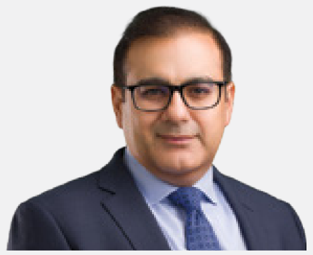
Representing Shaha Company for Investment and Real Estate W.L.L.

Elected in 2024 until March 2025

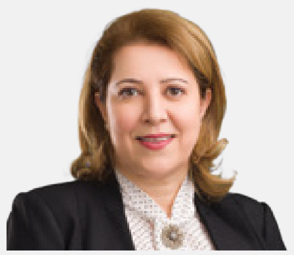
Mohammed Ismail Al Emadi
Chief Executive Officer

MANAGEMENT TEAM

Glenn Johnstone
Chief Investment Officer

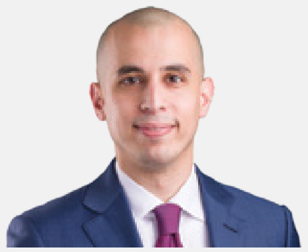


Muhammad Tauseef Malik
Chief Financial Officer



Fulya Plas
Chief Risk Officer

Rita El Helou
Chief Legal and Compliance Officer, Board Secretary



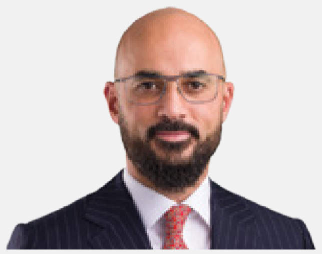
Mohammed Mohammed
Deputy Chief Operating Officer

Mohamad Abu Khalaf
Head - Treasury

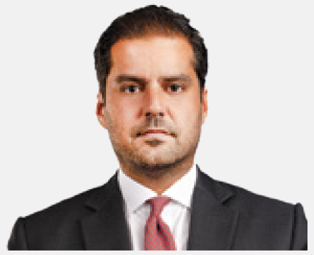
Thanwa Al Naimi
Head - Private Banking and Wealth Management

Jubin Jose
Head - Public Equities and Fixed Income

Alexandre Bernassau
Head - Real Estate Investments



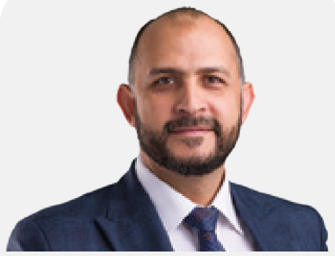
Suhaib Al Mabrouk
Head - Private Equity and Corporate Banking



Toufic Fawaz
Head - Investment Banking Advisory

Prem Anandh Kasilingam
Head - Operations

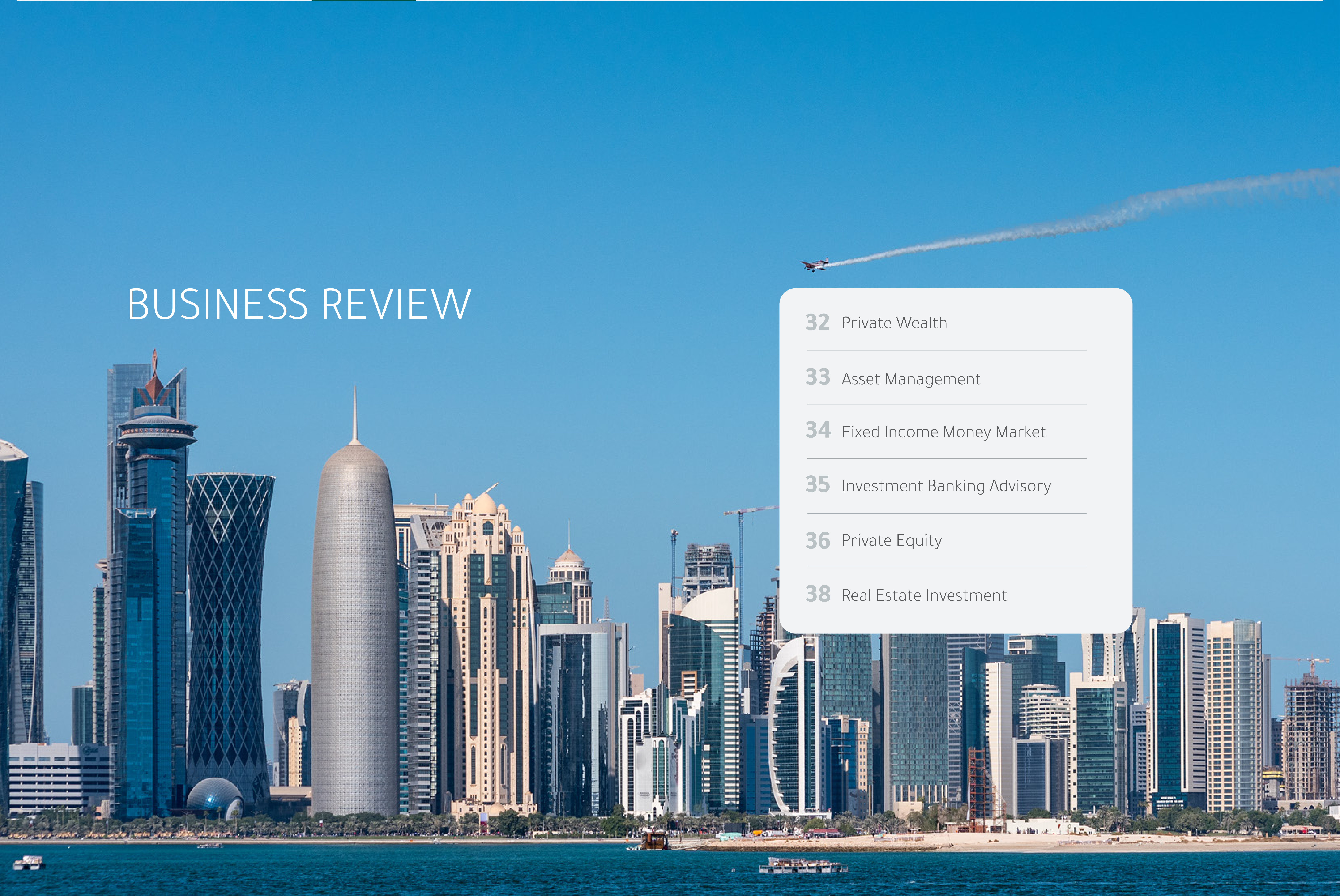
Mohamed Thahir
Head - Middle office



Ahmed Abou Elela
Head - Corporate Services

Khalid Al Arid
Head - IT

Mirna Naccache
Director - Marketing and Communications



BUSINESS REVIEW

PRIVATE WEALTH

In 2024, Lesha Bank's *Private Wealth Management (PWM)* division continues to redefine client-centric financial services for High and Ultra-High Net-Worth Individuals, as well as corporate clients. At the core of PWM is a commitment to building enduring relationships while delivering tailored solutions for wealth and asset management, portfolio optimization, and treasury services. This comprehensive approach ensures that our clients' diverse financial needs are viewed with precision and care.

Our PWM offerings include exclusive access to Real Estate structured products, Asset Management, and Private Equity, providing Shari'a-compliant investment opportunities that may align with our clients' ethical and financial goals.

In line with our dedication to excellence, the PWM team conducted an annual client satisfaction survey to gather valuable feedback, enabling us to continually refine our services and address evolving client needs. We also focused on expanding the accessibility of international financial opportunities by leveraging our business lines' expertise in asset and fund management to develop innovative products. This collaboration supports our clients to benefit from world-class opportunities while maintaining flexibility and convenience in targeting financial growth and security.

Additionally, PWM reinforced its commitment to transparency and client empowerment by introducing quarterly and semi-annual investor reports. These detailed reports provide certain clients with clear insights into the performance of their investments, fostering greater understanding and confidence in their financial strategies.

By seamlessly blending luxury banking with advanced technology and personalized service, Lesha Bank's *Private Wealth Management* division continues to raise the bar in delivering a truly unique and client-focused banking experience in 2024.

ASSET MANAGEMENT

In 2024, Lesha Bank launched its *Asset Management* division, marking a significant milestone as the first new business department introduced this year. The division focuses on managing liquid assets, particularly equities and fixed income, to target the increasing demand for active asset management among institutional, High Net-Worth Individuals (HNWIs), and retail investors in the region.

Led by a team with decades of experience in regional investment management, the division targets risk-adjusted returns across varying market conditions.

In its inaugural year, the division prioritized building a robust operational foundation, refining its investment philosophy, and setting clear goals for portfolio construction.

Our investment philosophy integrates a combination of bottom-up analysis, which relies on thorough fundamental research, with a top-down macroeconomic view, acknowledging its significance in the region. We believe that bottom-up investing presents opportunities where companies may be undervalued due to inadequate analysis, market misperceptions, or limited coverage. By addressing these inefficiencies through our comprehensive approach, we aim to invest in assets at substantial discounts to their intrinsic value and achieve relative outperformance against benchmarks.

FIXED INCOME MONEY MARKET

TREASURY

The Treasury function at Lesha Bank is central to targeting financial stability, liquidity, and effective capital management, all while adhering to the principles of Islamic finance. By supporting the Bank's day-to-day operations, the Treasury team provides essential funding, manages both short-term and long-term liquidity needs, and ensures alignment with the bank's risk appetite.

The Assets and Liabilities Management (ALM) Desk has been instrumental in contributing to the bank's Net Funded Income by effectively managing liquidity and profit rate gaps across varying time horizons. Over the past year, the Treasury team skillfully navigated a highly volatile rate environment, maintaining operational resilience and financial performance.

A key highlight of 2024 was the management of the Bank's Sukuk portfolio. Despite shifting market conditions and rising rates, the Treasury team successfully balanced risk and return through strategic monitoring and adjustments. With rates now beginning to ease and expected to decline further, the Bank is seemingly well-positioned to leverage opportunities in the Sukuk market. The portfolio remains optimally structured to benefit from lower rates.

In managing deposits from High Net-Worth Individuals (HNWIs) and corporate clients, the Bank employed a strategy that balanced competitive returns with prudent risk management. Tailored deposit products were designed to align with market conditions, enabling the Bank to retain existing depositors while attracting new inflows despite rising rates. The diversified deposit base, comprising a mix of short-term and long-term products across various client segments, has been a cornerstone of the Bank's liquidity strategy, optimizing funding costs and supporting the Bank's goals

The Treasury team also delivered strong performance in Foreign Exchange (FX) management, attempting to address market volatility and client needs. By employing hedging strategies and offering customized solutions, the Bank helped mitigate currency risks and protect against unfavourable exchange rate movements. This approach has supported client interests and enhanced the Bank's reputation as a trusted partner in FX risk management.

Furthermore, the Bank expanded its network of counterparty banks and financial intermediaries, strengthening its treasury dealings and optimizing transaction execution. This diversification of counterparties improved pricing, enhanced liquidity, and reduced concentrating allows for risks, enabling more efficient cash flow and funding management.

These efforts have reinforced the Bank's relationships with global financial institutions and positioned it to capitalize on emerging opportunities in an increasingly dynamic market environment.

INVESTMENT BANKING ADVISORY

In 2024, Lesha Bank launched its Investment Banking Advisory division, marking an important expansion of its complementary business lines. This division provides a comprehensive suite of services for clients across industries, including advice on strategic corporate finance matters, Mergers and Acquisitions (M&A), Private Debt Advisory and Debt Capital Markets (DCM), Equity Capital Markets (ECM), and Restructuring Advisory.

The Investment Banking Advisory team has already made significant strides in its first year, by securing various capital raise, M&A and ECM mandates across sectors, and has acted as a Joint Lead Manager on two high-profile DCM transactions.

Strategic Focus and Future Growth

The division's early success is a testament to its ability to identify and capitalize on market opportunities across a variety of industries and products.

The team is in active advanced dialogue with various clients/prospects across sectors in Qatar for imminent new potential mandates, with a growing pipeline of engagements across M&A, capital markets, and restructuring services.

To sustain its momentum, the division is also focusing on expanding its team of professionals, whilst also capitalizing on synergies inherent to Lesha Bank by working closely with the other divisions of the firm to create bespoke structured financial solutions for corporates in Qatar.

QIIB الدولي الإسلامي

Joint Lead Manager

Additional Tier 1 $300 million Sukuk issuance

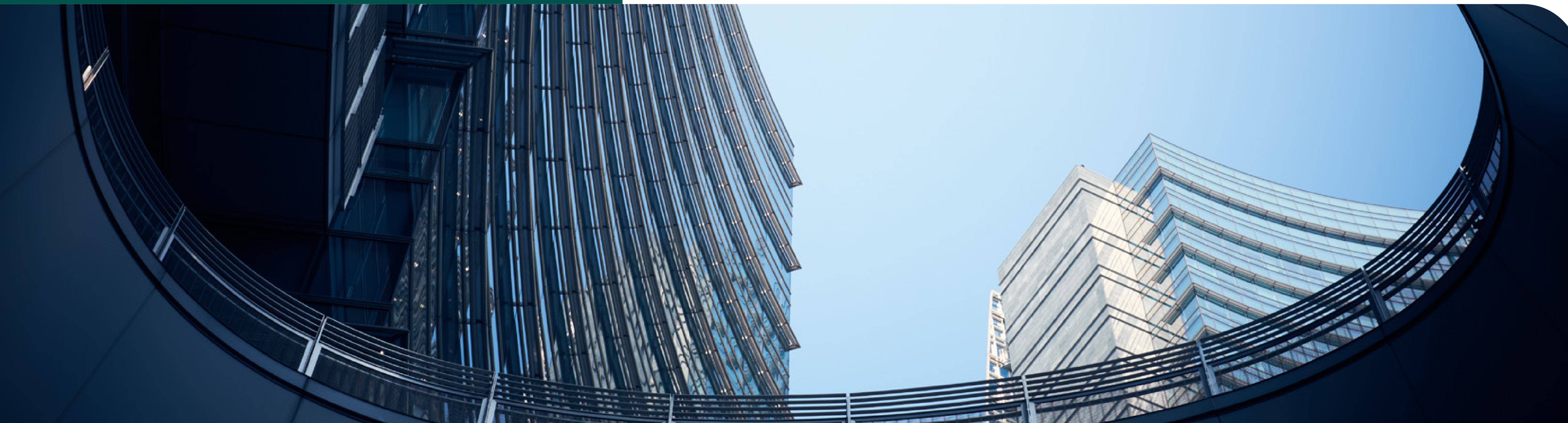
September 2024

Estithmar Holding Q.P.S.C.

Joint Lead Manager

QAR 500 million Sukuk issuance, the first corporate Sukuk issued in Qatari Riyal

September 2024



PRIVATE EQUITY

Private Equity remains a cornerstone of Lesha Bank's core strategies, focusing on investments in private markets and co-investments alongside other leading limited partners. In 2024, the Private Equity team concentrated on building investment platforms across three strategic pillars: Aviation, Education, and Hospitality. The team actively sourced and reviewed global investment opportunities with a vision to create standalone platforms while remaining agile in pursuing other potentially attractive prospects.

Current AUM

QAR 3.9 billion

2024 Achievements at a Glance

The year marked several milestones for Lesha Bank's Private Equity team:

- **Co-investment in one of the largest education platform in the UK and Europe:** A strategic partnership to capitalize on growth in the education sector.
- **Investment in a leading provider of payment integrity technology:** Demonstrating a focus on innovative financial technologies.
- **Acquisition of five Boeing 777-300ER Aircraft on lease to a leading airline:** a significant step in its renewed focus in aviation and aircraft leasing.

DAVID MORRIS EXIT

Lesha Bank successfully exited its investment in *David Morris International Limited*, a premier international luxury jewelry brand, in a transaction valued at **GBP 70 million.** The exit yielded proceeds of **GBP 35 million,** representing a substantial return on investment for Lesha Bank, which had acquired a 50% stake in the company in 2014.

*David Morris Internationa*l, founded in 1962 and headquartered in the UK, is celebrated for its exquisite jewelry collections and elite clientele, including royalty and high-net-worth individuals across Europe, Asia, and the Middle East. Over the years, Lesha Bank supported the company in expanding its footprint, including flagship locations in London's New Bond Street, additional stores in France and the UAE, and franchises in Qatar and Kuwait. The successful divestment reflects Lesha Bank's ability to identify and nurture premium investment opportunities, delivering strong results for stakeholders.

BEREKE BANK ACQUISITION

Lesha Bank successfully completed the acquisition of the entire share capital of Bereke Bank in Kazakhstan.

Bereke Bank is a multipurpose bank, offering services to both individuals and businesses across Kazakhstan with a network of 18 branches. This acquisition marks a strategic step in strengthening the investment portfolio of the Bank.

REAL ESTATE INVESTMENT

In 2024, Lesha Bank's Real Estate Investment division adopted a dynamic strategy to diversify its portfolio, potentially optimizing asset performance, that may deliver long-term value to stakeholders. The division attempts to acquire high-quality, income-generating assets and enhancing the operational efficiency of its existing portfolio through proactive asset management.

REAL ESTATE INVESTMENT FIGURES

(As of 31 December 2024)

QAR **5.4** billion – AUM since inception

QAR **4.5** billion – Current AUM

QAR **2.5** billion – Equity raised since inception

QAR **2.1** billion – Current investors equity

Strategic Shifts and Key Acquisitions

International Real Estate Strategy: A Focus on Multifamily Residential

In response to heightened volatility in the U.S. office market and challenging financing conditions, the Real Estate Investment team shifted its focus to the multifamily residential sector. This pivot was exemplified by the acquisition of Alta Federal Hill, a premium residential property in Baltimore, Maryland. This strategic move could align with Lesha Bank's goal of targeting resilient asset classes that may offer stable returns and growth potential.

Local Real Estate Investments in Qatar

The division intensified its focus on the Qatari market to meet the growing demand for local real estate investments. Notable achievements include:

- The acquisition of AP 21, the first property under a new program dedicated to securing potentially income generating assets in Qatar.
- The purchase of a residential building in The Pearl-Qatar further reinforces the division's commitment to expanding its portfolio with high-quality, income-generating assets within the local market.

Proactive Asset Management Strategies

In addition to acquisitions, the division implemented a proactive asset management strategy, prioritizing the potential optimization of the existing portfolio. By collaborating closely with asset managers, the team refined business plans in hopes to better align investments with market conditions, targeting stabile distributions and growth. This hands-on approach allowed the division to navigate market volatility better while maintaining operational efficiency.

Looking Ahead

As Lesha Bank's Real Estate Investments division moves forward, it remains committed to targeting strong, Shari'a-compliant returns while expanding its footprint in local and regional markets. By targeting high-quality assets, leveraging strategic partnerships, and maintaining a focus on proactive management, the division is looking to capitalize on emerging opportunities and create sustainable value for its stakeholders.

Partnerships for Enhanced Asset Management

During *Cityscape Qatar 2024*, Lesha Bank signed two memorandums of understanding (MoUs) with Barwa Real Estate and its subsidiary Waseef. These MoUs aim to explore collaborative opportunities in investment and enhance the management and operation of the Bank's real estate assets in Qatar, ensuring high-quality services and customer satisfaction.

90 North Corporate Campus

SEATTLE
Acquired: February 2020

Healthcare Technology Company (Phase 1)

OHIO
Acquired: April 2021

Healthcare Technology Company (Phase 2)

OHIO
Acquired: November 2022

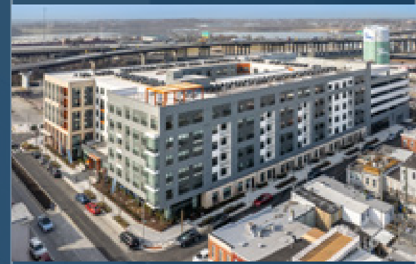
Sports HQ Building

TEXAS
Acquired: August 2020

Fourteen555

TEXAS
Acquired: September 2021

Alta Federal Hill

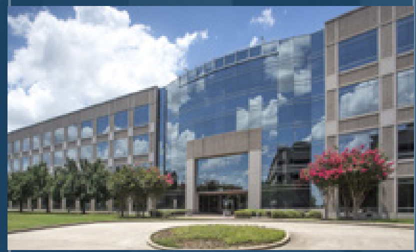


MARYLAND
Acquired: 2024

The Grand II at Papago Park Center

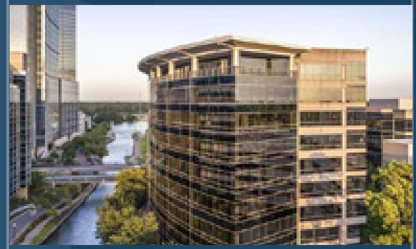
ARIZONA
Acquired: December 2020

Ten West Corporate Center One



TEXAS
Acquired: November 2021

Waterway Plaza I

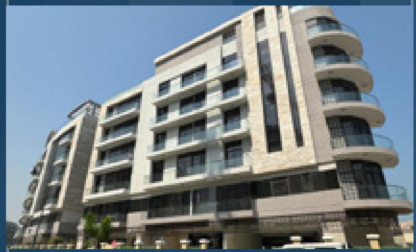


TEXAS
Acquired: January 2021

Gateway Plaza

VIRGINIA
Acquired: June 2022

AP 21



DOHA
Acquired: August 2024

OPERATIONAL AND CONTROL

CONTROL REVIEW

Risk Management

Lesha Bank predominantly operates in investment banking, and its continued success and reputation are highly dependent on our ability to identify, assess, manage, and mitigate risks while pursuing business opportunities.

At Lesha Bank, we endeavor to prioritize risk management by adopting a clear, formalized, strategically designed, and actionable risk management plan. Lesha Bank has implemented an enterprise-wide risk management framework to identify, assess, measure, and manage risks across all business units and all material risk factors.

This approach enables us to flexibly address with many of the critical risks to which the Bank is exposed. Our goal is to strike a balance between risk and reward, optimizing value creation and sustainability. Risk management policies and procedures are established to identify, assess, measure, monitor, and report risks at the organizational level with clearly defined roles and responsibilities.

All Lesha Bank employees are required to be familiar with risk management policies that are relevant to their activities, understand how to escalate actual or potential risk issues, and have a role-appropriate level of awareness of the risk management process.

Risk management is an integral part of Lesha Bank's business and decision-making process, with active involvement in various management committees and constant interaction with other departments and business units on an ongoing basis.

The Board of Directors holds primary responsibility for the Bank's risk profile and establishes the risk management framework. The Board sets the Risk Appetite, the amount of risk that Lesha Bank is prepared to accept, tolerate, or be exposed to at any point in time within the context of its business strategy. Risk Appetite is a critical component of managing risks across the Bank.

Lesha Banks constantly strives to ensure that its risk management plan is meaningful and effective, enabling it to address various types of risks, including investment, market, liquidity, operational and reputational risks. This commitment helps safeguard the interests and benefits of its customers and stakeholders.

(More details about Lesha Bank's risk management program are available under the Corporate Governance section of this report)

1 Risk Identification

As part of the risk management process, Lesha Bank identifies and assesses potential risks that could impact the Bank across various levels. Risks are primarily identified by the respective business units as the first line of defense and independently assessed by the risk management department.

2 Risk Assessment

Once risks are identified, their likelihood and potential impact are analyzed to assess each risk's severity and significance. The Bank adopts various techniques and methodologies to measure various types of risks depending on the nature of the risk.

3 Monitoring

Lesha Bank regularly reviews and updates the identified risk exposures, assesses new potential threats, and stays informed about internal and external factors that may affect the Bank.

4 Mitigation

Depending on the risk appetite and strategy, Lesha Bank seeks to implement measures to reduce the impact or likelihood of identified risks by executing risk response plans, taking preventive actions, and establishing contingency plans to minimize potential negative consequences of risk events.

5 Reporting

The risk management department regularly reports and shares information on identified risks, their assessment, and the strategies in place to manage them. This ensures that stakeholders, including the business units, various committees, and the Board of Directors, are informed and able to contribute to decision-making processes.

Internal Audit

Lesha Bank maintains an independent *Internal Audit* function, with the Director of *Internal Audit* appointed by and reporting directly to the Audit, Risk & Compliance Committee (ARCC). This structure ensures independence from executive management while leveraging a co-sourcing arrangement with Deloitte, one of the "Big Four" audit firms, to enhance and support the in-house internal audit function in fulfilling roles and responsibilities.

Management holds the primary responsibility for developing and maintaining robust governance, risk management, and control systems, as well as for preventing and detecting irregularities and fraud. Internal Audit plays a pivotal role by independently evaluating the Bank's governance, risk management, and internal control processes, aiming to strengthen operational efficiency. The *Internal Audit* function operates under a Board-approved policy and follows a risk-based audit approach, adhering to international standards set by the Institute of Internal Auditors (IIA) and industry best practices.

Risk-based internal audit plan is prepared by *Internal Audit* annually and approved by the ARCC, with flexibility for updates as needed. Findings are shared with management, and comprehensive reports containing conclusions, recommendations, and status updates are presented regularly to the ARCC and the Board for review and action. Additionally, *Internal Audit* provides periodic reports detailing the purpose, authority, responsibilities, and performance of its activities, addressing matters as requested by the Board.

In 2024, the Director of *Internal Audit* presented key observations and related risks, along with recommendations for ratification and improvement, aligning with the approved audit plan other significant matters and specific requests from the ARCC. The ARCC was informed of the nature and extent of observations, raised in reviewed functions, ensuring continued alignment with governance, risk management, and operational objectives.

Compliance and Anti-Money Laundering (AML)

Lesha Bank places a strong emphasis on compliance and legal adherence to uphold ethical standards and safeguard clients and stakeholders from potential legal and compliance risks. Adherence to applicable laws and regulations not only enhances the Bank's credibility but also reinforces the legitimacy of its business operations. To this end, Lesha Bank has established a dedicated *Legal & Compliance Department* who are specialized in Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT).

The Compliance team ensures that all Bank policies and activities are aligned with relevant laws and regulations under the supervision of various regulators, including the QFC, QFCA, QFCRA, and QFMA. Operating under a formal compliance manual approved by the Audit, Risk, and Compliance Committee (ARCC), the department implements mechanisms and policies across the Bank to ensure compliance with such applicable laws, rules, and regulations.

The AML/CFT and Compliance team, supervised by the ARCC, are regularly assessed for effectiveness and compliance with legal and regulatory standards. The Chief of the Compliance provides regular reports to the ARCC, informing Board members about critical compliance matters, including fraud, conflicts of interest, ethical issues, internal reviews, and regulatory developments. This structured approach enables proactive monitoring of high-risk areas, fostering a culture of transparency and legal integrity within Lesha Bank.

Legal

Lesha Bank's specialized *Legal* Unit is tasked with mitigating legal risks to which the Bank may be exposed. The unit conducts a comprehensive review of documents, offers legal counsel, and oversees litigation matters within a well-defined legal framework. This proactive approach ensures that the Bank operates within the bounds of the law while safeguarding its interests.

SHARI'A SUPERVISORY BOARD

Sheikh Dr. Walid Bin Hadi

Chairman

Sheikh Dr. Abdoulaziz KH H A Al Qassar

Member

Sheikh Dr. Mohammed Ohmain

Member

In the name of Allah, the Most Beneficent and the Most Merciful.

Shari'a Supervisory Board Report
For the financial year ended 31 December 2024

Praise is to Allah and prayers & peace be upon His Prophet Muhammad, and upon his kinsfolk, companions and those who followed his teachings...

The Shari'a Supervisory Board of the Bank ("The SSB") has reviewed the contracts, operations, and products of the Bank, which were presented to it. The SSB has also reviewed the consolidated financial statements, profits and losses account of the financial year ended on 31/12/ 2024 and the SSB is of the view that they do not contradict the principles of Shari'a law.

May Allah grant everyone to do what he loves, and what pleases him.

Sheikh Dr. Walid Bin Hadi
President and Chairman of the Shari'a Supervisory Board

OPERATIONAL REVIEW

Operations

Lesha Bank is poised to launch several projects and initiatives designed to streamline daily operations and enhance the experience for both clients and employees. The *Operations Department* plays a vital role in managing a broad spectrum of operational functions across the bank's core sectors, including Private Banking, Wealth Management, Treasury, Real Estate Investments, and Private Equity.

In 2024, the department expanded its support to two new strategic business lines: Asset Management and Advisory Services. "The Operations Department" handled 26% more transactions than the 2023 transaction volume and custodies AUM of QAR 8 million. This strategic growth was complemented by the successful management of nine new investment products, further enriching the bank's existing diverse offerings. Backed by a team of seasoned professionals with extensive global banking expertise, the department has been instrumental in strengthening operational capabilities, enhancing efficiency, and ensuring superior accuracy across all functions.

In line with its commitment to operational excellence, the Operations Department implemented a standardized operational model, overhauling and streamlining existing processes. Policies and procedures were meticulously reviewed and updated to ensure compliance with international best practices, while robust process documentation controls were established to clearly define departmental roles and responsibilities.

Building on its core banking system upgrade from last year, the department introduced several automation and digitization initiatives, significantly enhancing process efficiency and ensuring exceptional service quality. Notably, the successful integration of automated data providers for gathering and processing dynamic market reference data for security instruments has greatly improved data accuracy and timeliness.

Strategically equipped with a highly skilled team and advanced tools, the Operations Department remains agile and responsive to all operational needs. Senior management has also initiated several pipeline projects aimed at enhancing client onboarding, revamping existing reports, and improving real-time interfacing capabilities.

As Lesha Bank continues its geographic expansion and diversifies its portfolio of products and services, the Operations Department remains committed to delivering a comprehensive range of complex and time-sensitive support functions. With an unwavering focus on flexibility and agility, the department ensures seamless execution while adapting swiftly to the bank's evolving business needs.

Information Technology

In 2024, Lesha Bank achieved significant milestones in its digital transformation journey, emphasizing innovation, operational efficiency, and enhanced user experiences. A pivotal accomplishment was the successful implementation of a state-of-the-art Enterprise Resource Planning (ERP) system. Hosted on the Azure cloud platform, this comprehensive solution integrates key functions, including Finance, Procurement, Human Resources, and Employee Self-Service. The ERP system has streamlined internal operations and elevated experiences for vendors and clients, reinforcing the Bank's commitment to excellence.

Additionally, the Bank completed a full-scale upgrade of its telephony systems, aligning them with the latest technological advancements. These upgrades enhance communication capabilities and ensure seamless, future-proofed operations.

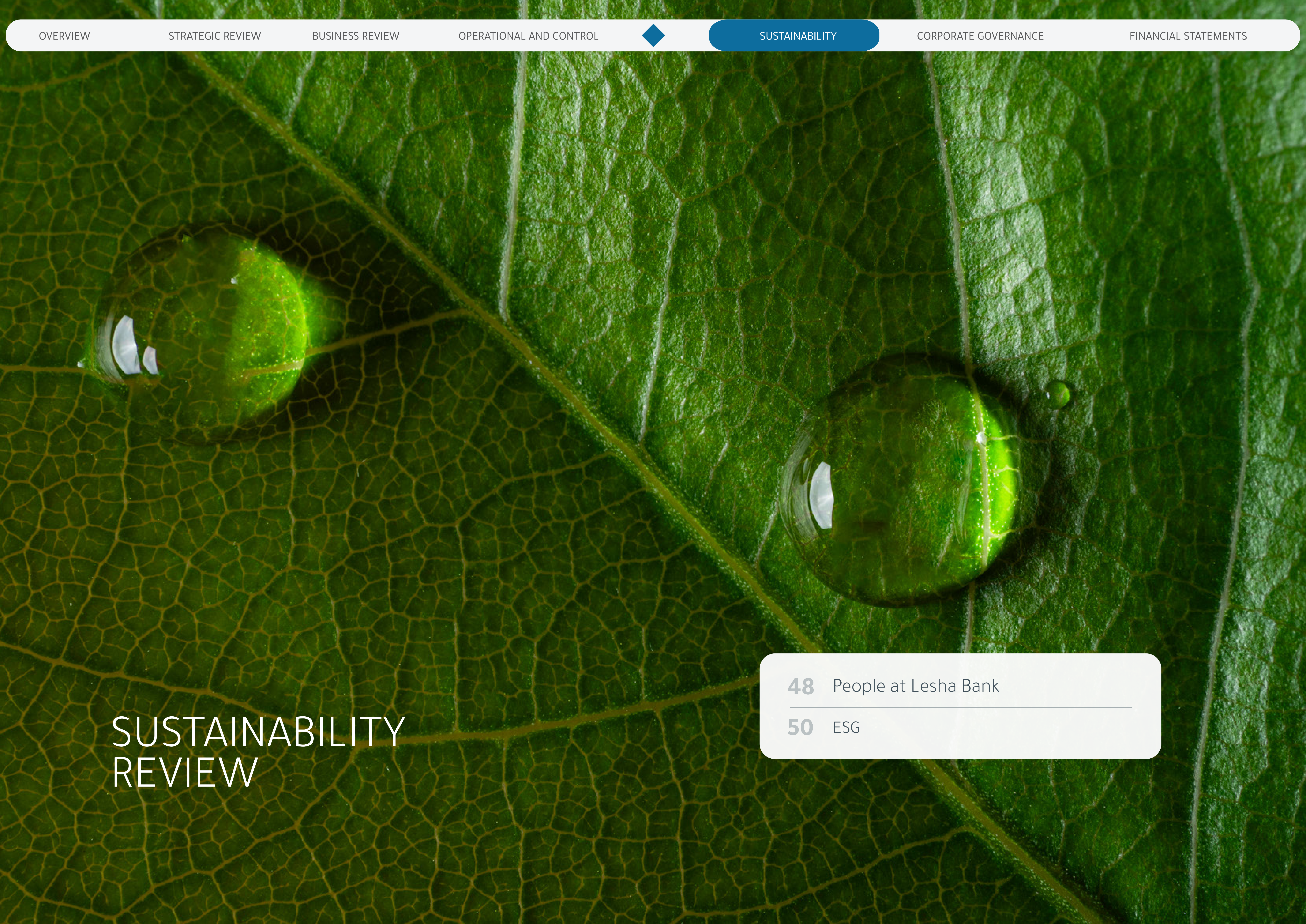
As part of its ongoing digitization journey, Lesha Bank executed numerous system enhancements, reinforcing its strategic focus on process automation and innovation. Notably, the Bank set a benchmark as the first in the Middle East and Africa region to upgrade to Temenos Transact R23, a cutting-edge solution that streamlines operations and fortifies core banking capabilities.

These initiatives have significantly improved operational efficiency, delivering superior service quality and aiding Lesha Bank as a future-ready financial institution.

Furthermore, Lesha Bank's commitment to digital transformation is evident in its substantial investments in enhancing digital infrastructure. The successful implementation of a cloud-based Customer Relationship Management (CRM) system has brought exceptional scalability, security, and reliability, particularly benefiting Private Banking and client relationship management.

In pursuit of operational excellence, the Bank has undertaken comprehensive process reengineering initiatives. These efforts not only increase efficiency but also supports operational practices closer align with the principles of responsible and sustainable banking.

Collectively, these advancements underscore Lesha Bank's dedication to leveraging technology to enhance services, optimize operations, while targeting a competitive edge in the financial industry.



SUSTAINABILITY REVIEW

PEOPLE AT LESHA BANK

At Lesha Bank, our greatest asset is undoubtedly our people. In 2024, we reaffirmed our commitment to cultivating a professional, innovative, and inclusive workplace, recognizing that our workforce is the cornerstone of our growth and operational resilience. We implemented significant enhancements to our HR policies and procedures, aimed at boosting employee satisfaction, engagement, and motivation, all within a framework dedicated to continuous improvement.

Talent Development and Training

Our HR team made remarkable progress in attracting top-tier talent, successfully recruiting senior leaders and department heads to align with our strategic objectives. The Internship Program continued to be a vital component of our talent development strategy, providing students with invaluable practical experience, corporate orientation, and performance evaluations that pave the way for future employment opportunities. Collaborating with leading trainers, we introduced advanced training programs that not only enhanced staff skills but also ensured they stay abreast of industry trends, regulatory changes, workshops, and emerging technologies. Tailored initiatives, including career path planning and mentorship programs, are in progress to empower employees in their professional journeys. Additionally, we launched a new technology platform to enhance employee engagement and performance management, giving staff access to their performance goals and progress, which forms part of a comprehensive workforce planning strategy. These efforts support Lesha Bank in its goals for continued success in a dynamic financial landscape.

Operational Enhancements

We streamlined HR operations through the development of an ERP system that features employee self-service tools, performance management capabilities, and centralized record-keeping. To further bolster these improvements, we introduced initiatives such as an internal HR portal, Corporate Social Responsibility (CSR) activities, wellness programs, and community engagement initiatives designed to strengthen our ties with the community and enhance employee well-being. Regular feedback mechanisms, employee recognition programs, and mental health resources have also been implemented to support our workforce. These enhancements reflect our unwavering dedication to efficiency and the creation of a nurturing workplace environment.

Diversity and Inclusion

Diversity and inclusion are central to our ethos at Lesha Bank. In 2024, we proudly became the first bank in Qatar to achieve the Great Place to Work® Certification for the second consecutive year, recognizing our commitment to creating an exceptional workplace culture. Our workforce is a vibrant tapestry of 22 nationalities, with women representing 34%, underscoring our commitment to fostering a diverse and inclusive workplace where every individual is empowered to contribute. At Lesha Bank, diversity and inclusion are not mere commitments; they are fundamental to our organizational culture. By nurturing an inclusive atmosphere, we enable individuals to share their unique perspectives and talents, creating a workplace where people may feels a sense of belonging. We will continue to engage in diversity training and awareness programs to reinforce these values across all levels of the organization.

22 Nationalities of employees

34% Female representation

Diversity and Inclusion

Understanding that collaboration fuels innovation and adaptability, we established engagement programs such as art, wellness, and volleyball clubs. These initiatives have strengthened team cohesion, fostering a productive and supportive environment. Employees have been provided with opportunities to participate in activities that not only build camaraderie but also enhance creativity and mental well-being. We also encourage inter-departmental projects and team-building activities to further promote collaboration and communication within the organization.

As we look to the future, Lesha Bank remains steadfast in its dedication to empowering its workforce, embracing diversity, and promoting collaboration as core elements of our strategic vision for success. By investing in our people, we are investing in the future of Lesha Bank.

Team Cohesion

Understanding that collaboration fuels innovation and adaptability, we established engagement programs such as art, wellness, and volleyball clubs. These initiatives have strengthened team cohesion, fostering a productive and supportive environment. Employees have been provided with opportunities to participate in activities that not only build camaraderie but also enhance creativity and mental well-being. We also encourage inter-departmental projects and team-building activities to further promote collaboration and communication within the organization.

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Qatar National Day

Qatar Charity - TAYF donation

World Environment Day

Breast Cancer Awarness

Sports Day

Staff Sohoor

Autism Awarness

International Women's Day

ESG

Lesha Bank remains deeply committed to advancing its *Environmental, Social, and Governance (ESG)* practices as part of its broader mission to create sustainable value. In 2024, we have made notable progress across several ESG initiatives, demonstrating our dedication to transparency, accountability, and environmental stewardship.

Enhanced ESG Reporting

Lesha Bank has elevated the quality of its ESG disclosures by incorporating both qualitative and quantitative data, ensuring greater transparency for stakeholders. This enhancement aligns with international best practices and reinforces our accountability.

Sustainability in Operations

Comprehensive waste management and recycling initiatives have been rolled out across the Lesha Bank office. These programs ensure efficient use of resources and support sustainable practices throughout our operations.

Recycled Materiels	Quantity recycled (tonnes)	Co2 E saved (tonnes)
Paper / cardboard	0.095	0.34
Plastic	0.07	0.10

ESG framework

E – Environmental
- Climate Change

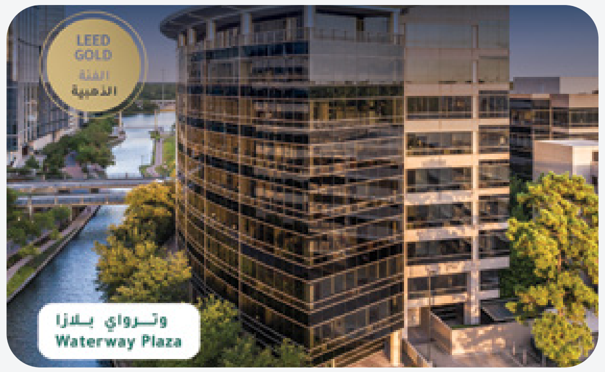
S – Social
- Diversity, Equity, and Inclusion (DEI)
- Human Capital
- Financial Inclusion
- Corporate Social Responsibility (CSR)
- Stakeholder Engagement
- Client Experience

G – Governance
- Data Privacy and Security
- Business Ethics and Integrity
- Risk Management
- Compliance
- Transparency and Accountability
- Technology and Innovation
- Responsible Business

E – Economic
- Financial Performance
- Sustainable Finance

Commitment to Sustainability in Real Estate Investments

Lesha Bank's real estate properties in the United States continue to demonstrate a strong commitment to sustainability, having earned several prestigious LEED environmental certifications. This underlines the Bank's focus on acquiring and investing in properties that prioritize environmental sustainability alongside financial success.



Qatar Stock Exchange - Sustainability and ESG Dashboard Rating

Lesha Bank continues to be recognized for its ESG excellence, as reflected in the Qatar Stock Exchange (QSE) Sustainability and ESG Dashboard. The Bank maintained a strong overall rating of 88% in 2023, with consistent performance across key area. These ratings highlight Lesha Bank's unwavering commitment to ESG excellence, particularly in environmental initiatives, where the Bank has consistently achieved a perfect score.

World Soil Day with "Park and Plant" Initiative

Lesha Bank marked World Soil Day on December 5th with a community-driven event, "Park and Plant," held at Education City. The initiative focused on enhancing local landscapes by planting trees and fostering green spaces, reinforcing the Bank's commitment to environmental sustainability.

To commemorate the Bank's 16th anniversary, participants planted 16 trees, including rare species such as Acacia Arabica. This initiative is part of Lesha Bank's broader environmental sustainability approach, reflecting its dedication to fostering sustainable development and supporting global environmental efforts.

The Park & Plant initiative, led by Qatar Foundation, has successfully planted over 25,000 trees to date, reflecting its commitment to sustainability. Taking place in Education City, this initiative welcomes private sector companies to participate in its green efforts. Lesha Bank is a proud guest partner supporting the cause while Qatar Foundation empowers businesses to engage in meaningful sustainable actions.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

KEY GOVERNANCE EVENTS IN 2024

February

- The Bank held its Annual and Extraordinary General Meeting

May

- The Bank held an Annual Ordinary General Meeting (AGM), whereby the Shareholders:
- Approved the appointment of Mr. Nasser Al Hajri
- Appointed three new Board Members
  - Mr. Meshaal Mohamed Al Mahmoud
  - Mr. Abdulrahman Irfan Totonji
  - Mr. Mohammed Ali Al Sulaiti

CHAIRMAN'S GOVERNANCE STATEMENT

Dear Shareholders,

I am honoured to present the Board's Annual Report on Corporate Governance for fiscal year 2024.

In an era marked by transformative changes in global markets and evolving regulatory landscapes, Lesha Bank LLC (Public) remains committed to prioritizing Governance as a pillar of our goals for long-term stability, growth, and innovation. Effective governance is more than compliance; it is embedded within our corporate identity and requires the proactive engagement of all stakeholders.

This year, our theme—'Building Scale, Creating Value'—reflects our strategic focus on expanding operational capacity while unlocking sustainable growth opportunities. Through disciplined governance and robust risk management, we have positioned ourselves to scale efficiently and create enduring value for our shareholders and stakeholders alike.

As we pursue strategic growth, diversify our portfolio, and embrace emerging opportunities, the Board of Directors reaffirms that for the fiscal year ending December 31, 2024, Lesha Bank fully adhered to the Corporate Governance requirements outlined in the Governance Code for Companies and Legal Entities Listed in the Main Market No. (5) of 2016 issued by the Qatar Financial Markets Authority, as well as the Governance and Controlled Functions Regulation of 2020 issued by the Qatar Financial Centre Regulatory Authority.

Additionally, the Board confirms Lesha Bank's sustained compliance with the rules and regulations governing its status as a Qatar Stock Exchange-listed entity. This includes adherence to the Offering and Listing of Securities Rulebook issued by the Qatar Financial Markets Authority and its subsequent amendments.

This report reflects our unwavering commitment to transparency and accountability, reinforcing trust with our investors and stakeholders. Moving forward, we will continue to evolve our governance practices to address the demands of an ever-changing business environment and reinforce our competitive position.

Sincerely,

Sheikh Faisal bin Thani Al Thani
Chairman of the Board

1. INTRODUCTION

This Corporate Governance Report presents the corporate governance model and system adopted by Lesha Bank LLC (Public) ("Bank" or "Lesha Bank"). Lesha Bank's corporate governance system is consistent with the principles contained in the Governance Code for Companies and Legal Entities Listed in the Main Market No. (5) of 2016 ("QFMA Corporate Governance Code") issued by Qatar Financial Markets Authority, the Governance and Controlled Functions Regulation of 2020 issued by Qatar Financial Centre Regulatory Authority ("QFMA"), and the applicable rules and regulations relevant to its business and to being a listed entity on Qatar Stock Exchange including the Offering and Listing of Securities Rulebook issued by Qatar Financial Markets Authority as amended from time to which the Bank has adhered to. Lesha Bank is aware that an efficient corporate governance system is one of the essential elements for achieving its strategic objectives and the interests of its shareholders and other stakeholders. It is key to highlight that throughout the year ended 31 December 2024, Lesha Bank has achieved compliance with the provisions of the QFMA Corporate Governance Code as set out in Article 3 of the mentioned code. Lesha Bank has also complied with the disclosure requirements of Qatar Exchange ("QE"), including the disclosure of quarterly, semi-annual and annual accounts, immediate announcement to the market of price-sensitive information, and disclosure of the notice of the Annual General Assembly and Extraordinary General Assembly, according to the deadlines specified by QE regulations.

2. CORPORATE GOVERNANCE FRAMEWORK

Lesha Bank's Board of Directors is committed to having a corporate governance framework that ensures that processes are in place to maintain an environment with efficient oversight and clear accountability in order to retain the trust of the Bank's shareholders, customers, employees, regulators and other stakeholders. This has been achieved by a corporate governance model that was approved by the Board with clearly defined responsibilities and efficient internal controls. In addition, the Board has approved a transparent decision-making process with clear reporting lines and responsibilities, along with efficient policies to manage stakeholder accountability, related party transactions, conflicts of interest, disclosure and transparency, business practices and ethics. The corporate governance culture at Lesha Bank is characterized by accountability, integrity, transparency, compliance and risk awareness.

Compliance with the Corporate Governance Regulations

In 2024, Lesha Bank made significant strides in enhancing its corporate governance practices to align with its evolving business strategy and the dynamic regulatory landscape. After updating our Corporate Governance Manual in December 2023, we also revised the Related Party Transactions Policy, the Nomination Policy for Board Members, and the Remuneration Policy for Board Members in 2024.

The comprehensive Corporate Governance Report 2024 is included as an attachment to the Bank's Annual Report, forming an integral part of it. This report will be presented to shareholders for approval at the Bank's Annual General Meeting (AGM) scheduled for February 2024. It is also available for viewing on the Bank's website at www.leshabank.com.

3. OWNERSHIP STRUCTURE AND SHAREHOLDERS

On this date, the issued and paid-up share capital of Lesha Bank amounts to QAR 1,120,000,000 (Qatari Riyals one billion one hundred and twenty million), and is represented by 1,120,000,000 ordinary shares with a nominal value of QAR 1 (One Qatari Riyal) per share.

The Shareholders of Lesha Bank can exercise their statutory rights through participation in the general assembly. As per the Articles of Association of Lesha Bank, the Annual General Assembly ("AGA" or "AGM") shall be held before the end of April. Resolutions by the AGA are made by voting, with right to approve or object to the items listed on the agenda of AGA if they think that such item is not in the interest of the shareholders or the Bank. All shareholders, including minor shareholders, may have the right to appoint a proxy to represent them at the AGA. The AGA's resolutions include:

- Adoption of the yearly income statement and balance sheet
- Approval of board remuneration (if any) and discharge from liability for Board members
- Election of the board of directors, when the board or a board member term comes to an end
- Approval of Dividends (if any)
- Appointment of the external auditors and approval of their annual fees
- Approval of the annual report and the corporate governance report.

3.1 Major Shareholders

As of 31 December, 2024, the following shareholders owned more than 5% of the Bank's shares:

Shareholder	Number of Shares	Ownership Percentage
Al Zubarah Real Estate Investment Company W.L.L.	168,000,000	15%
Brooq Trading Company W.L.L.	112,000,000	10%
Shift W.L.L	112,000,000	10%
Shaha Company for Investment and Real Estate	112,000,000	10%
Azom Real Estate Investment Company	109,517,790	9.78%

3.2 Shareholders Rights

The shareholders' rights are protected by the QFC's Companies Regulation of 2005, as amended from time to time, the Articles of Association of the Bank, Lesha Bank's Board charter, the QFMA Governance Code, and other applicable rules and regulations. In accordance with the procedures described in the Articles of Association, the Bank makes available the following documents to the shareholders:

- Shareholders' register (upon request)
- Board member information (available on the website).
- Articles of Association (available on the website).
- Instruments creating a charge or right on the Bank's assets.
- Assembly on a yearly basis (available on the website).
- Any other document submitted to the General Assembly (available on the website).

3.3 Annual General Assembly 2024

In 2024, Lesha Bank held two Annual General Meetings (AGMs) and one Extraordinary General Meeting (EGM) to ensure comprehensive shareholder engagement.

The first AGM and EGM took place in person on February 21, 2024, at 5:00 PM at the Mondrian Doha Hotel, West Bay Lagoon, Doha. It was attended by shareholders representing 736,062,032 shares, equivalent to approximately 65.72% of the Bank's total issued share capital.

The second AGM was held virtually via Zoom on Tuesday, May 28, 2024, at 4:00 PM Doha time. This meeting was attended by shareholders representing 646,271,503 shares, accounting for approximately 57.70% of the Bank's total issued share capital.

Both meetings underscored the Bank's commitment to transparency, accessibility, and effective corporate governance practices.

3.4 Access to Information, Dividend Distribution, and Right to Extraordinary Decisions

Lesha Bank ensures that the Bank's shareholders have timely access to the information through the Bank's website or by contacting Lesha Bank's Investor Relations.

Additionally, the Bank's AOA and Dividend Policy sets out the terms and conditions for the distribution of profits, which are in accordance with the applicable laws. The audited financial statements presented to the AGA for endorsement determines if profits would be distributed.

Furthermore, Lesha Bank's Articles of Association guarantees the rights of the shareholders, in particular, the minorities in the event where the Bank enters into major transactions, change in capital structure, and other matters as stipulated in the AOA of the Bank.

4. BOARD OF DIRECTORS

The Board of Directors of Lesha Bank is entrusted with the overall strategy and direction of the bank and with the supervision of its management.

4.1 Board Composition

According to the Bank's AOA, the Board consists of nine (9) directors, with four (4) members being Independent Board Members and five (5) being Non-Independent Board Members. The strategic shareholders of the Bank may, according to the Articles of Association ("AOA") of the Bank appoint two members of the Board, including the Chairman who is at all times appointed by Al Zubara Real Estate Investment Company LLC. The remaining board members are elected by secret ballot at the Annual General Assembly ("AGA") of the shareholders. Elected and appointed directors shall serve for a term of three years and shall be eligible for re-election.

4.2 Directors' Qualifications

In accordance with Lesha Bank's Board Charter, board members are required to be skilled professionals with diverse commercial expertise, leadership capabilities for shaping strategy, and a comprehensive understanding of banking and corporate governance. The members should possess relevant professional qualifications and a proven track record of success, enabling them to contribute meaningfully to strategic decisions and policies, ensuring effective oversight of Management.

Lesha Bank's board members uphold high integrity, align closely with shareholders, and actively focus on value creation, demonstrating a steadfast commitment to the institution's long-term success. They possess knowledge of corporate governance requirements and practices, extending their commitment to corporate responsibility beyond direct stakeholders.

Detailed information on the Board of Directors, including their professional backgrounds and education, is provided below.

HE Sheikh Faisal bin Thani Al Thani
Chairman
Appointed Re-appointed in 2022 for a term of three years
Representing Al Zubara Real Estate Investment Company LLC ("Al Zubara")
Number of shares owned directly: 0 (0 %)
Number of shares owned indirectly: 231,458,387 (20.666%)
Number of shares owned by Al Zubara: 168,000,000 (15 %)

His Excellency Sheikh Faisal bin Thani bin Faisal Al Thani was appointed Minister of Commerce and Industry in November 2024. He brings extensive leadership and management experience, having held numerous senior positions in both local and international institutions. Currently, His Excellency holds several prominent roles in Qatar, including being a member of The Supreme Council for Economic Affairs and Investment, the National Planning Council, and a member of the Supreme Committee for the Preparation of the Third National Development Strategy. Additionally, His Excellency is the Chairman of the Qatar Financial Centre Authority and Chairman of the Advisory Board for the Investment Promotion Agency. He also serves as the Chairman of Ooredoo Group and is a member of the Board of Directors of Qatar Airways Group and Qatar Insurance Company. Throughout his career, His Excellency served as the Chief Investment Officer for Asia and Africa at the Qatar Investment Authority, as well as several other leadership roles, including Chief Investment Officer at the Qatar Foundation Endowment from 2014 - 2017. He also played a key role in managing investments at the Qatar Central Bank from 2010 - 2014. He has also served as Chairman of the Qatar Banking Studies and Business Administration Secondary School and as Vice Chairman of Vodafone Qatar between 2013 - 2016. In addition, he has been a board member for several prominent organisations, including Ahlibank, Qatari Diar Real Estate Investment Company, Nakilat, Bharti Airtel, and Siemens Qatar. His Excellency Sheikh Faisal bin Thani bin Faisal Al Thani holds a bachelor's degree in business administration from Marymount University in the United States of America and an Executive Master's in Business Administration from HEC Paris.

Mr. Mohamed Yousef Al Mana
Vice Chairman
Non-Executive Member - Re-elected in 2022 for a term of three years
Representing all shareholders
Number of shares owned: 7,000 (0.01 %)

Mr. Al Mana has been a Lesha Bank Board member since April 2019 and a Member of the Board Audit, Risk and Compliance Committee. Mr. Al Mana has extensive experience in security and defense in the public sector occupying various security and enforcement roles with the Qatari Police and the Ministry of Internal Affairs. Mr. Al Mana is President of the Qatar weight-lifting and of the Afro-Asian weightlifting committee in Qatar and the Asian weightlifting Federation Qatar and the Arab weightlifting Federation Qatar and the Qatar Fencing Federation, and the first vice president of the Qatar Olympic Committee. He is also an elected member of Al Shura Council and Chairman of the financial and economic committee - Qatar Parliament within the Al Shura Council. Mr. Al Mana holds Bachelor's Degree in Internal Security and in legal law and enforcement and Shari'a Law.

Mr. Ibrahim Mohamed Ibrahim Jaidah
Non executive members since incorporation
Re-elected in 2022 for a term of three years
Representing all shareholders
Number of shares owned: 3,000 (0.268 %)

Mr. Al Jaidah has served as Board member of Lesha Bank since incorporation. He is also a member of the Board Nomination, Remuneration, and Corporate Governance Committee ("NRCGC"). Mr. Al Jaidah has extensive experience in urban planning, construction, real estate development and design. He currently serves as the Group Chief Executive Officer and Chief Architect of the Arab Engineering Bureau which has branches spanning across Doha, Muscat, Manilla, and Kuala Lumpur. Mr. Al Jaidah holds a Bachelor's Degree in Environmental Design and Architecture from the University of Oklahoma in Norman, Oklahoma, in the US.

Mr. Nasser Ali Al Hajri
Non- Executive Member - Elected in 2024 until end of term of existing board members
Representing Broog Trading Company W.L.L
Number of shares owned: 0 (0%)
Number of Shares owned by Broog Trading Company W.L.L 112.000.000 (10%)

Mr. Nasser Al Hajri has been a Board Member of Lesha Bank since 2024. He is also a member of the Board Nomination, Remuneration, and Corporate Governance Committee ("NRCGC"). He holds a doctorate in Finance and Banking from Abdelmalek Essaadi University in Morocco.

Mr. Mohammad Nasser Al Faheed Al Hajri
Non-Executive Member since incorporation
Re-elected in 2022 for a term of three years
Representing all shareholders
Number of shares owned: 63.700 (0.006 %)

Mr. Mohammed Al Hajiri has served as a member of the Board of Directors of Lesha Bank since incorporation, and he is also a member of the Board Nomination, Remuneration and Corporate Governance Committee ("NRCGC"). Mr. Mohammed Al Hajiri has a robust career in economic research working for the Qatari Government and he is currently minister at the Amiri Diwan. Mr. Al Hajiri holds Bachelor's Degree in Economics and Management from Qatar University, and he has earned an Economics Certificate from the London School of Economics and Political Science, and an Economics and Strategic Studies Certificate from Harvard University.

Mr. Mohammed Ali Al Sulaiti
Non-Executive Member - Elected in 2024 until end of term of existing board members
Representing Azom Real Estate Investment Company
Number of shares owned: 0 (0%)
Number of Shares owned by Shaha Company for Investment and Real Estate W.L.L 109,517,790 (9.78%)

Bachelor degree in management and Accounting from Qatar University. Member of the Board of Directors, is a member of the Board Executive Committee and CEO in Azom Real estate Investment company Board Member in Lesha Bank since 2024

Mr. Meshaal Mohamed Al Mahmoud
Non-Executive Member - Elected in 2024 until end of term of existing board members
Representing all shareholders
Number of shares owned: 713,000 (0.064%)

Mr. Meshaal Al-Mahmoud has been a Board Member,and member of the Board Audit, Risk and Compliance Committee since 2024. He holds a Bachelor's Degree in finance from Suffolk University in Boston

Mr. Eisa Mohamad Al-Mohannadi
Non-Executive Member - Elected in 2022 for a term of three years
Representing Shift Company W.L.L
Number of shares owned: 100,000 (0.009%)
Number of Shares owned by Shift W.L.L 112.000.000 (10%)

Mr. Al-Mohannadi was elected as Board Member in March 2022 and is a member of the Board Executive Committee. He held various administrative and senior positions at Ooredoo Qatar going from being Director of Revenue Assurance and Compliance at the company to becoming its Senior Director of Finance between 2013 and 2021, after which he was promoted to the position of CFO which he still holds today. Mr. Almohannadi also occupies the position of Board Member at Ooredoo Palestine and Oman, and at QLM Life and Medical Insurance Company. He holds a BA in Business Administration and Finance from Marymount University and an MBA in Business Administration and Digital Transformation from HEC Paris.

Mr. Abdulrahman Irfan Totonji
Non-Executive Member - Elected in 2024 until end of term of existing board members
Representing Shaha Company for Investment and Real Estate W.L.L
Number of shares owned: 0 (0%)
Number of Shares owned by Shaha Company for Investment and Real Estate W.L.L 112.000.000 (10%)

Mr. Totonji has been a Board Member of Lesha Bank and is a member of the Board Executive Committee and the Board Audit, Risk and Compliance Committee since 2024. He serves as the Chairman of Starlink. Mr. Totonji holds a Bachelor's Degree in Administration with a focus on Human Resource Management, Real Estate Finance, and Development from George Washington University.

4.3 Independent Members

A director shall be deemed independent for the purpose of serving on the Board or any Board Committee if they meet the independence criteria established by the Board. These criteria include, but are not limited to, the following:

- Independence from Management;
- Not being an employee, board member, owner, partner, or significant shareholder of any consultant engaged by the Bank, including the Bank's external auditor;
- Not being a first-degree relative or representative of any Board member or senior executive of the Bank.

Lesha Bank's independent directors comply with the independence requirements set forth in the Bank's Articles of Association (AOA) and the applicable corporate governance laws and regulations.

4.4 Chairman's Role and Responsibilities

According to Lesha Bank's Articles of Association (AOA), the Chairman is appointed at all times by Al Zubara Real Estate Investment Company LLC. In 2024, the Chairman continued to provide strategic leadership across all aspects of the Board's activities, ensuring compliance with applicable laws and regulations, and overseeing the effective implementation of Board resolutions.

The AOA also stipulates that the Vice Chairman shall assume the Chairman's duties and responsibilities in the event the Chairman is unable to fulfill them.

Key Responsibilities of the Chairman

- **Board Leadership:** Oversee the activities of the Board and its committees, ensuring their effective operation.
- **Spokesperson and Liaison:** Act as the primary representative of the Board and principal contact for the CEO, maintaining regular meetings to discuss updates on the Bank's business.
- **Meeting Coordination:** Chair and coordinate Board meetings, ensuring timely attention to relevant issues and managing external Board affairs.
- **Strategic Consultation:** Maintain ongoing communication with Board members on matters related to strategy, business development, and risk management.
- **Operational Effectiveness:** Ensure the Board functions effectively and efficiently, and coordinate meeting agendas and information packages with the Board Secretary.
- **Agenda Approval:** Approve meeting agendas, considering proposals from Board members.
- **Board Engagement:** Encourage active and collective participation of Board members to fulfill their responsibilities in the best interests of the Bank.
- **Information Access:** Ensure Board members have access to comprehensive and timely information, including:
  - Updates on the Bank's business, strategy, and affairs.
  - Resources needed to meet Board responsibilities, including regular reports from the CEO and executive management.
  - Information on management strategies, plans, policies, and key performance indicators.
- **Shareholder Communication:** Establish effective communication channels with shareholders and convey their views to the Board.
- **Board Dynamics:** Promote constructive relationships between executive, non-executive, and independent Board members, encouraging teamwork and consensus.
- **Governance Compliance:** Keep members informed about compliance with the QFMA Corporate Governance Code, delegating follow-up responsibilities to appropriate Board committees if necessary.
- **Performance Evaluation:** Ensure processes are in place to assess the performance of the Board, its committees, and individual directors, delegating the task to the Nomination and Remuneration Committee and reporting results to the Board.
- **Annual General Assembly Oversight:** Chair the Annual General Assembly meetings, ensuring their effective organization with the Board Secretary's assistance and providing shareholders with adequate information about the Bank's performance.
- **Training and Development:** Ensure all directors receive regular training, including induction programs, and that the annual budget allocates resources for Board development.
- **Corporate Governance Standards:** Uphold high standards of corporate governance in alignment with local regulations and best practices.
- **Disclosure and Communication Policy:** Oversee the implementation of the Bank's Disclosure and Communication Policy.
- **Signatory Authority:** Sign the Bank's Annual Report and Corporate Governance Report.

4.5 Board Meetings

4.5.1 Company Secretary

The Board shall appoint a Board/Company Secretary to organize the meetings of the Board and Board committees in addition to other tasks as approved by the Board. All board members shall have direct access to the Company Secretary.

On 23 March 2022 the Board re-appointed Mrs. Rita El Helou to the role of Company Secretary. She serves also as the Head of Legal & Compliance for the Bank and has over 17 years of experience in legal, compliance and corporate governance. Prior to joining Lesha Bank, she served as Head of Legal at Vodafone Qatar. Her main functions as Company Secretary can be summarized as follows:

1. Meeting Minutes and Records:
   - Draft and maintain minutes of Board and committee meetings.
   - Keep detailed records of all resolutions passed by the Board and its committees in a dedicated log to facilitate follow-up on actionable matters.
2. Meeting Coordination:
   - Collaborate with the Chairman and committee chairs to prepare and organize meeting agendas, materials, and schedules.
   - Facilitate communication between Directors and executive management.
3. Invitations and Agenda Requests:
   - Send invitations on behalf of the Chairman to Board members and participants for meetings.
   - Receive and incorporate Directors' requests to include agenda items.
4. Information Access:
   - Ensure timely and unrestricted access to all relevant information, documents, and data required by Directors.
5. Compliance and Acknowledgments:
   - Manage the collection of Directors' acknowledgments related to segregation of duties in accordance with the Commercial Companies Law and the QFMA Corporate Governance Code.

4.5.2 Frequency of meetings

The Board shall convene for a meeting at least six times per year at the Bank's headquarters or any other location as determined by the directors.

Additional ad hoc meetings may be scheduled as needed to address urgent matters or specific requirements.

4.5.3 Attendance and Quorum:

1. Attendance and Participation:
   - Board members are expected to adequately prepare for, attend, and actively participate in Board and Board Committee meetings.
2. Absence and Resignation:
   - Members who fail to attend more than three consecutive meetings without an excuse accepted by the Board shall be deemed to have resigned.
3. Quorum and Proxy Representation:
   - The Board and each Board Committee shall achieve quorum when a majority of the members are in attendance.
   - A Board or Committee member may attend by written proxy issued to another attending member.
   - No member may act as a proxy for more than one Director. A Director acting as a proxy shall have two votes.
   - All proxies shall be recorded in the meeting minutes and maintained by the Company Secretary.
4. Voting and Resolutions:
   - Resolutions of the Board and its Committees shall be passed by simple majority.
   - In the event of a tie, the Chairman (or the Vice Chairman in the Chairman's absence) shall have the casting vote.
   - Committee Chairmen do not have a casting vote.
5. Attendance of Non-Voting Participants:
   - The Chief Executive Officer and the Company Secretary shall attend all Board meetings without voting rights.
   - Additional attendees may be invited, subject to the Chairman's approval, to address specific agenda items.

In 2024, the Board held the following meetings:

Date of Board Meeting	Director's Attendance
24/01/2024	All Members
23/04/2024	4 members, including Vice-Chairman
05/05/2024	5 members, including Chairman
28/05/2024	5 members, including Chairman
24/06/2024	All members
23/07/2024	8 members, including Chairman
16/10/2024	All members
15/12/2024	All members

The attendance of the Directors at Board meetings and Board committees' meetings in 2024 was as follows:

Director's Name	BOD[1] Meetings	EXCOM[2] Meetings	ARCC[3] Meetings	NRCGC[4] Meetings
H.E. Sheikh Faisal bin Thani Al Thani, Chairman	7/8	1/1	NA	NA
Mr. Mohamed Yousef Al Mana, Vice Chairman	8/8	NA	6/6	NA
Mr. Ibrahim Mohamed Ibrahim Jaidah	8/8	NA	NA	5/5
Mr. Eisa Mohamad Al-Mohannadi	8/8	2/2	2/2	2/2
Mr. Mohammad Nasser Al Faheed Al Hajri	7/8	NA	2/2	2/2
Mr. Saad Nasser Al-Kaabi	0/1	NA	NA	1/1
Mr. Jassim Mohammed Al Kaabi	1/3	1/1	NA	1/3
Mr. Nasser Ali Al Hajri	4/4	NA	NA	2/2
Mr. Mohammed Ali Al Sulaiti	4/4	1/1	NA	NA
Mr. Meshaal Mohamed Al Mahmoud	4/4	NA	4/4	NA
Mr. Abdulrahman Irfan Totonji	4/4	1/1	4/4	NA

1 BOD: Board of Directors
2 EXCOM: Executive Committee
3 ARCC: Audit, Risk and Compliance Committee
4 NRCGC: Nomination, Remuneration and Corporate Governance Committee

The main decisions taken by the Board in 2024 are as follows:

- Amendment of the Bank's Articles of Association, Related Party Transactions Policy, Nomination Policy for Board Members, and Remuneration Policy for Board Members
- Approval of the Financial Statements for the year ended 2023
- Approval of the Financial Statements for the year ended 2024

4.6 External Advice

Lesha Bank's Board and each of its Committees may, whenever deemed necessary, seek independent professional advice at the Bank's expense to support their decision-making and fulfil their responsibilities effectively.

4.7 Board Performance Review

Following the election of a few new Board members in 2024, Lesha Bank's Board remains committed to upholding the highest standards of accountability and governance. The Board operates in compliance with its Board and Board Committees Performance Policy, which sets out the framework for assessing the Board's effectiveness in fulfilling its roles and responsibilities and delivering accountability to stakeholders.

The Board has established a continuous performance evaluation process to assess the effectiveness of the Board, its committees, and individual directors. In 2024, all Board members completed an annual self-assessment, evaluating their:

- Contributions and interactions within the Board and its committees;
- Quality of outputs and decision-making; and
- Understanding of their roles and responsibilities.

The assessment also captured feedback on the structure, operations, and dynamics of the Board and its committees, as well as views on their roles and responsibilities.

Key Findings and Actions:

- The results of the evaluations were reported to the full Board.
- Any issues or concerns identified during the assessment will be actively addressed through follow-up actions.

Additionally, the Board conducted an annual performance review of senior management for 2024. The evaluation reflected continued satisfaction with the performance of the Executive Management team.

Review and Reporting:

The Nomination, Remuneration, Corporate Governance Committee (NRCGC) reviewed the results of all performance evaluations and submitted its findings to the Board. The Board subsequently assessed its overall performance and that of its subcommittees in accordance with the requirements of the QFMA Corporate Governance Code.

The evaluation concluded that the Board and its subcommittees successfully embody the culture, values, and governance standards of Lesha Bank, ensuring alignment with the Bank's strategic objectives and regulatory requirements.

4.8 Development & Learning

Lesha Bank's Board Induction and Training Policy, outlined in the Corporate Governance Manual, ensures that Directors and Board Committee members undergo a comprehensive induction process, including Anti-Money Laundering (AML) training and an induction training for new members, and are provided with ongoing training and development opportunities.

This policy is designed to equip members with the necessary skills and knowledge to effectively fulfill their roles and responsibilities. It also supports continuous learning through tailored development programs that address emerging trends, governance practices, and strategic priorities.

The Bank remains committed to fostering a culture of continuous improvement and capacity building to enable the Board and its Committees to adapt seamlessly to evolving business landscapes and governance standards.

4.9 Segregation of Duties

The Board members of Lesha Bank assume the following positions at Lesha Bank and other public companies:

Name	Board-level Membership at Lesha Bank	Board-level Membership and Senior Positions in other companies
H.E. Sheikh Faisal bin Thani Al Thani	• Chairman of the Board	• Minister of Commerce and Industry • Member of The Supreme Council for Economic Affairs and Investment, the National Planning Council, and of the Supreme Committee for the Preparation of the Third National Development Strategy. • Chairman of the Board of Directors of Ooredoo Group • Chairman of the Qatar Financial Centre Authority and Chairman of the Advisory Board for the Investment Promotion Agency • Member of the Board of Directors of Qatar Airways Group • Board member of Qatar Insurance Company.

Mr. Mohamed Yousef Al Mana	• Vice Chairman of the Board • ARCC	• Vice President of Qatar Olympic Committee • Member of the Arab Olympic Committee • Member of the Shura Council • Chairman of the Economic and Financial Affairs Committee of the Shura Council.
Mr. Nasser Ali Al Hajri	• Member of the Board • NRCGC	• Director of Financial and Administrative Control Private in the Office of His Highness the father Emir
Mr. Mohammed Ali Al Sulaiti	• Member of the Board • EXCOM	• Member of the Board of Directors and CEO in Azom Real estate Investment company
Mr. Meshaal Mohamed Al Mahmoud	• Member of the Board • ARCC	• Member of the board of trustees in Qatar Museum Authority-Qatar • Director of economic affairs department in Amiri Diwan
Mr. Ibrahim Al Jaidah	• Member of the Board • NRCGC	• Group Chief Executive Officer and Chief Architect of the Arab Engineering Bureau.
Mr. Mohammed Al Hajiri	• Member of the Board • NRCGC	• Member of the Amiri Diwan
Mr. Eisa Mohamad Al Mohannadi	• Member of the Board • EXCOM	• Chief Finance Officer at Ooredoo • QLM Life and Medical Insurance Company Board Member • Starlink Board Member • Ooredoo Oman Board Member
Mr. Abdulrahman Irfan Totonji	• Member of the Board • ARCC • EXCOM	• Chairman in Starlink

1 EXCOM: Executive Committee of the Board
2 ARCC: Audit, Risk and Compliance Committee of the Board
3 NRCGC: Nomination, Remuneration and Corporate Governance Committee of the Board

4.10 Remuneration of Directors

No members of the Board are classified as Executive Directors; therefore, no remuneration is provided for services rendered.

All other individuals serving as Directors in any other capacity within Lesha Bank will not be compensated for services rendered.

Lesha Bank has implemented a policy that defines the principles and methodology for determining Board remuneration, which is subject to approval by the Annual General Assembly (AGA). For the year 2024, the Board has approved remuneration in accordance with the applicable QFMA Rules and Regulations, reflecting the directors' performance during the year. The total remuneration for the Board of Directors for the year ending 31 December 2024 is QAR 3.1 million.

4.11 Conflict of Interest and Insider Trading

Members of the Board and employees may not, in connection with their work, demand nor accept from third-party payments or other advantages for themselves or for any other person or grant third parties' unlawful advantages.

Members of the Board are bound by Lesha Bank's best interests. No member of the Board may pursue personal interests in his/her decisions or use business opportunities intended for the Bank for himself/herself. Board must disclose insider information directly relating to the Bank without delay unless it is exempted from the disclosure requirement in an individual case.

All Board members and executive management and people who have access to the Bank's financial results and obtain remuneration from the Bank are prohibited from trading in Lesha Bank stock during the Blackout periods as per Qatar Stock Exchange's and Article 111 of the QFMA Listing Rules.

The Board members sign annually an Independence and Conflict of Interest Declaration to confirm that they are not aware of any conflicts of interest that exists or is likely to exist with Lesha Bank and disclose their trading in the Bank's securities during the reported year as well as the trading of their spouses and minor children. In 2024, as it is customary on an annual basis, the Conflict-of-Interest Statement was signed by existing members and by all members that were newly elected for Board membership in 2024.

4.12 Related-Party Transactions

In 2024, the Board of Directors continued to comply with the policy and procedure for related-parties' transactions, which establishes the rules for the approval and execution of the related-parties transactions conducted by Lesha Bank.

Lesha Bank's Directors have fully complied with this requirement during 2024. A special section of the financial statements shows the principal transactions with related parties undertaken by the Bank whenever approved and concluded. Below is a table

Summarizing said information

	Associates (QAR '000)	Others* (QAR '000)
Consolidated statements of financial position		
Other Assets		9,100
Customer's Balances		30,719
Liabilities held-for-sale	13,723	
Consolidated income statement for the year ended		
Other operating expenses		(1,607)
Off balance sheet instruments		
Assets under management		155,027

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

4.13 Role and Responsibilities of the Board of Directors

The Board of Directors has approved the Board's Charter, which defines the roles and responsibilities of Lesha Bank's Board of Directors in alignment with the Bank's Articles of Association (AOA) and applicable laws and regulations.

Lesha Bank's Board is vested with the broadest powers necessary to execute the activities and functions required to achieve the Bank's objectives. The Board is responsible for formulating the Bank's strategic direction and ensuring effective risk management through the approval and monitoring of the Bank's risk appetite. Additionally, the Board supervises and oversees the Bank's operations, ensuring compliance with all statutory and regulatory requirements.

Key Responsibilities of the Board

Corporate Governance and Internal Controls
- Adopt a corporate governance manual to establish strong internal and disclosure controls and implement adequate policies and procedures ensuring regulatory compliance.

Strategic Planning and Oversight
- Adopt and review the Bank's strategic direction, including strategies for core business units.
- Determine, review, and approve the financial objectives, annual budget, and accounting policies and principles.

Risk Management
- Approve and monitor the Bank's risk management strategy, risk appetite, and risk policies.
- Ensure Management implements effective risk management frameworks, systems, and controls.
- ensuring regulatory compliance.

Capital and Financial Oversight
- Monitor the Bank's capital structure and supervise major capital expenditures and asset transactions.
- Review and monitor financial performance reports and ensure alignment with strategic objectives and budgets. Executive Appointments and Compensation
- Approve the appointment and compensation of senior executive officers and staff incentive programs.

Shareholder Engagement and Reporting
- Approve arrangements for the Annual General Assembly (AGA) and other shareholder meetings.
- Recommend AGA approval of the Bank's annual report, accounts, and remuneration policies.
- Propose the appointment of external auditors and other resolutions as stipulated in the AOA and applicable laws.

Dividend Policy
- Determine the Bank's dividend policy.

Compliance and Reporting
- Approve policies as required under corporate governance regulations and applicable laws.
- Review reports from Management on key issues, including:
  - Relationships with regulatory authorities.
  - Human Resources matters.
  - Litigation, claims, and insurance matters.
  - Fraud, security, and compliance with anti-money laundering (AML) and sanctions requirements.
  - Business continuity management and disaster recovery.
  - Investor relations and public communications.
  - Corporate Social Responsibility (CSR).
  - Information systems and technology

Board Performance and Committees
- Review and approve the minutes of Board and Committee meetings.
- Establish and review terms of reference for Board Committees.
- Conduct an annual review of the performance of the Board and its Committees.

Delegation of Authority
- Approve a delegation of authority matrix for expenditures, lending, and other risk exposures.

Compliance Monitoring
- Ensure compliance with statutory, regulatory, and banking requirements.

Other Responsibilities
- Address any additional responsibilities as required by applicable laws and regulations.

4.14 Directors Obligations and Duties

The Board of Directors has approved the Board's Charter, which defines the roles and responsibilities of Lesha Bank's Board of Directors in alignment with the Bank's Articles of Association (AOA) and applicable laws and regulations.

Skills and Qualifications
- Possess the necessary skills, qualifications, and knowledge of the Bank's operations and business activities.

Fiduciary Duty
- Fulfil their fiduciary duties by acting honestly, in good faith, and in the best commercial interests of the Bank.

Ethical Conduct
- Adhere to confidentiality, conflict of interest, and transparency requirements while executing their responsibilities as Directors.
- Legal Compliance
- Act in accordance with the obligations outlined in the AOA and comply with all applicable laws and regulations.

Integrity
- Maintain a clean legal record, free from convictions of any crime, felony, or offense involving moral turpitude.

Conflict of Interest Disclosure
- Disclose any direct or indirect interests that could potentially conflict with the proper performance of their duties.

Attendance and Participation
- Attend Board meetings and general meetings of shareholders regularly and participate effectively in discussions and decision-making processes.

5. BOARD OF COMMITTEES

Lesha Bank's Board has established three subcommittees to assist the Board in discharging its duties and obligations and provide more detailed review of important areas of responsibility. The Board has approved the formation of the following Board Committees and approved their terms of reference. The full responsibilities of the Board committees are detailed in their respective terms of reference:

Following the election of the new Board in 2022, the Board of Directors issued a resolution to amend of the composition of each Board committee, taking into consideration the membership criteria set out in the terms of reference of each committee.

5.1 The Audit, Risk and Compliance Committee ("ARCC")

ARCC responsibilities are divided as follows:

Supervision responsibilities:

- To supervise compliance with documented procedures for the preparation and publication of the different financial reports and any other financial information.
- To supervise the internal control and audit mechanisms for external financial reporting.
- To ensure that the consolidated financial statements and the condensed consolidated financial statements in the half-year and the quarterly financial reports are prepared in accordance with the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) and in accordance with the Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).
- To review the financial and accounting policies and procedures of the Bank and express an opinion and make recommendations to the board in this regard, as well as review the company's dealings with the related parties, and ensure that such dealings comply with the relevant controls.
- To conduct investigations into financial control matters when requested by the Board.
- To oversee the accuracy and validity of the financial reports and any disclosed numbers, data and financial statements submitted to the General Assembly.
- To consider reviewing and following up the external auditor's reports on the Bank financial statements and ensuring their compliance with the implementation of the International Standards on Auditing (ISA) in accordance with the Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

Duties regarding external auditors

- Meet with the external auditors at least once a year to raise issues, ask questions and seek feedback from external auditors.
- Coordinate between the Internal Audit unit in the Bank and the external auditor.
- Ensure external auditor obtains significant clarifications he/she requests from senior management regarding the accounting records, the financial accounts or control systems.
- Ensure the timely reply by the board of directors to the queries and matters contained in the external auditor's letters or reports.
- Conduct a discussion with the external auditor and senior executive management about risk audits especially the appropriateness of the accounting decisions and estimates, and submit them to the board to be included in the annual report.
- Set the procedures of selecting and contracting with and nominating external auditors, and ensuring their independence while performing their work.

Duties regarding internal controls

- Prepare and present to the Board, a proposed internal control system for the Bank and conducting periodic audits whenever necessary.
- Coordinate the communications among the board and management regarding the internal controls of the Bank.
- Implement the assignments of the board regarding the company's internal controls.

Duties regarding internal audit

- Approve decisions regarding the appointment and removal of the internal audit director.
- Approve the Internal Audit Charter, Internal Audit Manual and Annual Audit Plan.
- Review with the internal audit director the budget, resources plan, activities and organizational structure of the Internal Audit function.
- Review the performance of the internal audit director in collaboration with the Nomination and Remuneration Committee.
- Receive quarterly reports from the internal audit director on the audit activities and findings.
- Review the effectiveness of the Internal Audit function, including compliance with the standard for the Professional Practice of Internal Auditing of the Institute of Internal Auditors (IIA) and applicable internal audit related regulatory requirements

Duties regarding risk management

- Review the systems of risk management.
- Develop and regularly reviewing the company's policies on risk management.
- Supervise the risk management training programs prepared by the Bank and its nominees.
- Prepare and submit periodic reports about risks and their management within the Bank to the board.

Duties regarding compliance

- Obtain quarterly and regular updates from the Compliance function regarding legal, corporate governance, regulatory requirements, and compliance matters.
- Review the process of communicating the Code of Conduct to the employees and monitor compliance with this.
- Review the results of management's investigation and follow-up of any instances of non-compliance.
- Review the findings of any examinations by regulatory agencies and any auditor observations.

Duties regarding whistleblowing:

- The ARCC shall monitor the implementation of the Whistleblowing Policy.
- The ARCC shall establish performance measurement schemes e.g. the number of complaints received, number of investigations, and time to resolve a complaint and corrective action taken.
- The ARCC receive all complains from whistle-blowers to ensure that serious concerns are properly raised and addressed by the company.

5.2 The Nomination, Remuneration and Corporate Governance Committee ("NRCGC")

NRCGC identifies, selects and recommends nominees for appointments and re-nomination to the Board for election by the General Assembly and nominating those whom it deems fit to fill any job of the senior executive management.

The main responsibilities of the Committee are as follows:

- Develop and see AGA approval of a Nomination Policy that sets out a formal, rigorous and transparent procedures to select candidates for Board memberships and elect the fittest among them for board membership.
- Ensure that Board nomination and election process is undertaken in accordance with the Bank's AOA and the applicable laws and corporate governance regulations, taking in consideration the 'Fit and proper guidelines' for nomination of board members
- Assess the independence of independent non-executive directors, on an annual basis at least, by taking into account the interests disclosed by each director and other relevant information.
- Recommend to the Board the approval of the appointment of key executive positions, in addition to the appointment of the Head of Internal Audit and Head of Compliance.
- Actively liaise with the relevant departments of the Bank to study the requirement for executive management personnel.
- Develop succession plans and make recommendations to the Board regarding plans for succession of directors and executive management.
- Recommend to the Board, the Bank's Annual Remuneration Policy identifying the remuneration to be paid to the chairman and other executive, non-executive and independent board members.
- Set the foundations of granting allowances and incentives in the Bank and recommend to the board the remuneration payable to the executive management.
- Ensure that remuneration packages are set at levels that attract and retain talent, taking into account the responsibilities and scope of the functions of the board members and the executive management, as well as the long-term performance of the Bank.
- Review the Board and the Board committees' performance on an annual basis with the support of the Board Secretary, who will report the results to the Board. To this end, the Committee is responsible for:
- Submit an annual report to the Board, including a comprehensive analysis of the board performance.

5.3 The Executive Committee of the Board ("EXCOM")

The key task of EXCOM is to handle the Bank's strategy, investments and financing by reviewing, evaluating and recommending on the strategic plans and decisions made by the board, including:

- Annual budgets and business plan
- Oversight on the management's implementation of

- the Bank's strategy and monitoring of actual financial, operational and administrative performance of the Bank against plans.
- Review any urgent matter which, in the opinion of the chairman of the board, does not permit the calling of a regular or special meeting of the board, as well as approve the transactions if specifically delegated by the Board on a case-to-case basis, and submit for board re-approval and/or ratification at the next board meeting.
- Partial or full asset write-offs within its delegated financial authorities, if any.
- Capital and project, or other significant overhead expenditure.
- Material issues relating to the organizational structure of the Bank.
- Treasury activities and performance.
- Acquisitions and disposals, where delegated by the Board.
- Investment diversification in terms of products and markets.
- Disaster Recovery, Business Continuity and Crisis Management plans.
- Assist the Board in coordinating, supervising and monitoring the performance of the executive management and general managers through periodic reports to the Board.
- Analyze and examine the Bank's potential investment opportunities and monitor the implementation of such investment opportunities by the executive management.

Main Decisions taken by the Board Committees in 2024

Committee	Recommendations & Decisions issued in 2024
ARCC	- Recommended the approval of the Bank's financial statements, the External Auditor's reports on the financial statements, including provisions, write-offs, valuations, and related parties' transactions; • Recommended the approval of the key control functions' reports including Internal Audit, Risk Management, and Compliance and AML. • Recommended the approval of key control policies including compliance (AML) and Risk • Recommended the reappointment of Deloitte to provide internal audit services for the year 2024; • Recommended the approval of the Annual Report, Corporate Governance Report, and Management Report on ICOFR.
EXCOM	• Reviewed and recommended the approval of the annual budget, business plan, and strategy, along with explanations and justifications for their adoption and any subsequent changes.; • Recommended the approval of the Bank's deals, investments, and other transactions undertaken during the year 2024,in accordance with the authority with the authority limits defined by the DOA.
NRCGC	• Recommended the approval of the Annual Report, Corporate Governance Report and Management Report on ICOFR; • Reviewed the performance of the Board, Board Committees, and Executive Management for the year 2024. • Recommended the amendment of the Bank's organizational chart • Recommended to the Board the approval of the succession plan for the year 2024; • Recommended to the Board to approve the updated Employment Handbook; • Recommended and approved matters related to the nomination of the Board Members

5.4 Shari'a Supervisory Board (SSB)

The Shari'a Supervisory Board is an independent body from the Board of Directors and advises the Board and the Management of the Bank on Shari'a compliance matters and guides the business and investment activities of the Bank to ensure compliance with Shari'a principles.

The Articles of Association state that the SSB consists of no less than Three (3) members and no more than Five (5) members. As of 31 December, 2024, the Shari'a Supervisory Board consisted of three members of which one was chosen as a Presiding Member by virtue of an election. The Shari'a Supervisory Board members are appointed by the Board of Directors for a three-year term which may be renewed for additional terms. The SSB members do not hold any executive roles within the Bank.

During the year 2024, the Shari'a Supervisory Board held 4 meetings and 25 meetings through delegation of authority to the Presiding and Executive Member of the Shari'a Supervisory Board. The meetings covered, among other things, the following matters:

- Provide Shari'a advice and guidance to the Board and Management on the Bank's products and services and how to best comply with Shari'ah rules and principles at all time,
- Provide Shari'a pronouncements and recommendations on products, services, relevant legal documents and transactions undertaken by the Bank.

The SSB oversees the activities of the Shari'a Compliance function within the Bank and issues an annual report which includes the details of the SSB's activities during the reported year and the Zakat calculation due on each share. The annual report is presented during the Annual General Assembly. It also reviews the Bank Financial Statements.

Name	Position	Member Status
Sheikh Dr. Walid Bin Hadi	Presiding and Executive Member	Independent Non-executive
Sheikh Dr. Abdoulaziz KH H A Al Qassar	Member	Independent Non-executive
Sheikh Dr. Mohammed Ohmain	Member	Independent Non-executive

6. EXECUTIVE MANAGEMENT AND MANAGEMENT COMMITTEES

6.1 Management Committees

Lesha Bank Board of Directors have approved the formation of the following committees which shall report to the CEO on their activities, who in his turn report back to the Board with regard to the conduct of the business of the Bank. The mandate of each committee is outlined in its relevant Terms of Reference which are part of the Bank's Corporate Governance Manual:

6.1.1 Investment Committee (IC)

- Reviews, recommends and/or approves investment opportunities.
- Reviews the status of the existing investments.
- Monitor and reviews the performance of the Bank's investment portfolio activities.

6.1.2 Credit Committee (CC)

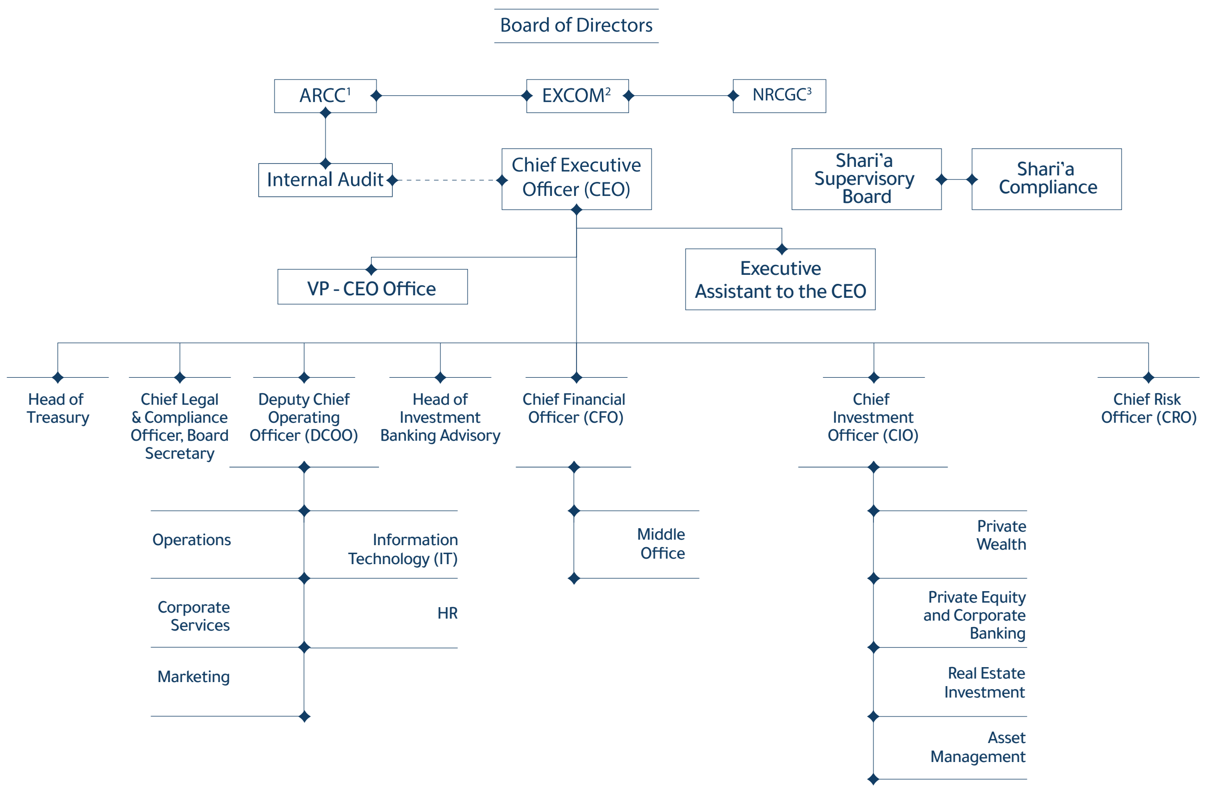
- Approves credit requests within the limits of its delegated authority, and reviews, recommends and implements, approved credit policies and procedures relating to the Bank.
- Reviews all delegated credit authorities and recommends amendments to the Board where appropriate.
- Monitors and reviews the performance of the credit portfolio activities and recommends and/or escalates credit proposals to the Board for decisions as necessary on all credit related risk issues facing the Bank.

6.1.3 Assets & Liabilities Committee (ALCO)

- ALCO is the highest decision-making body in regards to managing the Bank's capital allocation and determining the best asset and liability management strategy for the Bank and supervising its implementation with the aim to maximize net profit income over both the short and long term, within acceptable Board approved risk tolerances for credit risk, liquidity risk, profit rate risk and capital.
- Ensures that the pricing of Lesha Bank funding sources are properly monitored, allocated and managed in a way to maximize profit and manage the liquidity and profit rate risk. The day-to-day asset and liability management is delegated to the Bank's Treasury Department.

6.1.4 IT Governance (ITGC)

- Monitors the strategic direction of the IT Department to ensure it supports Lesha Bank long-term goals within the ambit of its strategic framework;
- Understand risks and controls associated with IT strategy to ensure appropriate mitigation is built into the implementation process;
- Discusses incidents occurred during the reporting period and making sure preventative actions are well implemented
- Monitors implementation of the IT strategy and ensure that changing business needs are being met in the context of the Company's strategic goals and competitive position
- Provides financial oversight over the IT program as the Committee deems necessary, including ensuring an appropriate framework within which budgetary decisions are made and review possible staffing requirements



1- Audit, Risk and Compliance Committee of the Board
2- Executive Committee of the Board of Directors
3- Nomination, Remuneration and Corporate Governance Committee of the Board

6.2 Executive Management Team

In 2024, the Board has approved a number of management changes to onboard new executive management members that bring proven expertise and experience across industries to lead the growing business and ambitious strategy of the Bank.

Mohammed Ismail Al Emadi
Chief Executive Officer
Appointed on 11 July 2023

Mohammed Ismail Al Emadi serves as the current CEO of Lesha Bank, bringing with him over seventeen years of extensive and diverse experience in the banking sector. Renowned in his field, Mohammed has honed his expertise across several banking areas, including corporate, retail, private, international, and investment banking.

Beyond his pivotal role as CEO, Mohammed's leadership extends to his position as the Chairman of Oryx Corniche Developments QPJSC, where he continues to demonstrate his expansive leadership capabilities.

Prior to joining Lesha Bank, Mohammed played a pivotal role as the Group Chief Business Officer at Masraf Al Rayan, where his exceptional leadership and invaluable contributions were instrumental. Mohammed's deep understanding of the banking landscape allows him to effectively orchestrate a wide array of customer-centric products and services, driving business growth and making substantial contributions to the expansion of the national economy.

Throughout his distinguished career, Mohammed has consistently showcased his unwavering commitment, exceptional leadership acumen, and an insightful understanding of the banking industry. His accomplishments and contributions have earned him a prestigious reputation as a highly respected and influential figure in the financial sector.

In addition to his professional accomplishments, Mohammed boasts a strong educational background. He earned his bachelor's degree in Business Management and Finance from George Washington University in Washington DC, further solidifying his financial acumen and strategic approach to business leadership.

Glenn Johnstone
Chief Investment Officer (CIO)
Appointed in 2023

Glenn Johnstone is Lesha Bank's Chief Investment Officer, with over 20 years of expertise in investment banking and investment management. Glenn currently oversees the private equity, real estate investment, and wealth management businesses, which together comprise the overall investment function of the Bank. He commenced his career at Goldman Sachs in the Investment Banking Division in Sydney, after which he transferred to London with the ultimate role of Executive Director in UK Investment Banking. Additionally, he occupied senior investment roles at both Qatar Foundation Endowment and Qatar Investment Authority (QIA).

Glenn's education includes a Bachelor of Commerce with Honours from the University of Melbourne.

Muhammad Tauseef Malik
Chief Financial Officer (CFO)
Appointed in 2023

Muhammad is the Chief Financial Officer of Lesha Bank, overseeing the Bank's financial operations and strategies. His career in finance, spanning over 26 years, is backed by a rich professional journey across various prestigious financial institutions.

His career kick-started at Grays Leasing Limited in Pakistan, where he showed promising growth. This led to a fast-paced progression through the ranks at Bank AlFalah Limited, building a strong foundation for his financial expertise. His noteworthy 15-year tenure at Masraf Al Rayan in Qatar saw him thriving in several roles, ultimately leading to his position as the Chief Financial Officer. Before joining Lesha Bank, Muhammad made significant contributions as the Director of Investment at the Family Office.

As a Harvard Alumni, Muhammad completed the General Management Program at Harvard Business School, USA. Muhammad also holds an MBA in Banking & Finance from Pakistan, along with certifications such as the DipIFR from ACCA and Islamic Finance Qualification (IFQ).

Fulya Plas
Chief Risk Officer (CRO)
Appointed in 2021

Fulya joined Lesha Bank in 2021 as a Chief Risk Officer. She has over 24 years of experience in financial risk management in the investment banking sector across Qatar, Bahrain, Kuwait and Turkey. Prior to joining Lesha Bank, she held the position of a Managing Director responsible for risk management at First Energy Bank in Bahrain.

Fulya holds an MSc in Risk Management and Insurance from Cass Business School, London. She also followed her postgraduate management studies at Middlesex University, London.

She holds a BSc in Mathematics Engineering from Istanbul Technical University. She is a certified FRM.

Rita El Helou
Chief Legal & Compliance Officer, Board Secretary
Joined in 2021

Rita is the Chief of Legal and Compliance officer and Board Secretary at Lesha Bank. She has over 17 years of experience in both private and public listed companies in legal and compliance, providing guidance in the commercial and operational context.

Prior to joining Lesha Bank, Rita, worked for 8 years with Vodafone Qatar P.Q.S.C. and Infinity Solutions LLC. Rita worked also at Jaidah Group and SGBL.

Rita holds an executive MBA from HEC Paris and a master's degree in Law from the Lebanese University - Filiere Francophone de Droit - Faculty of Law and Political Science. Rita also holds a Mini-MBA in Telecommunications from Telecom and Tech Academy United Kingdom Academy (Qatar) and a certificate from INSEAD in Leading Organizations in Disruptive Times.

Mohammed Mohammed
Deputy Chief Operating Officer (DCOO)
Appointed in 2020

Mohammed serves as the Deputy Chief Operating Officer at Lesha Bank, having joined the organization in 2020. With a distinguished career spanning over 15 years, he brings extensive expertise in Human Resources and Operations Technology functions. Mohammed oversees a diverse portfolio, including Operations, Human Resources, Information Technology, Marketing, and Corporate Services. In his capacity as DCOO, he leads transformative projects that contribute to Lesha Bank's strategic objectives.

Drawing upon his extensive background in various sectors, including Banking, Real Estate, Investments, Retail, Education, Telecom, Hospitality, Construction, Manufacturing, and F&B, Mohammed is well-versed in navigating the complexities of the business landscape. His leadership is instrumental in driving operational efficiency and spearheading innovative projects at Lesha Bank.

Mohammed holds an MBA with a concentration in Human Resources from Louisiana State University and a BA in Business Administration from AIU. Additionally, he is recognized as a Senior Certified Professional by the Society of Human Resource Management.

Mohamad Mahmoud Abu Khalaf
Head - Treasury
Joined in 2020

Mohamed is the Head of the Treasury at Lesha Bank. He is an executive banker and senior corporate with over 33 years of professional experience across Treasury, Investment, products, funds, Credit / Market Risk, Trade Finance and various corporate fields as Corporate Treasurer.

He is responsible for overall treasury functions and products as well as all covering all the investments products under treasury mandates and has extensive experience in liquidity management (ALM), Structural Products, trading, Fixed Income and specialized financial engineering products modelling and pricing.

Prior to joining Lesha Bank, he was the Senior Director of Credit Risk Management, Treasurer at Qatar Chemical, Petrochemical Marketing and Distribution Company (Muntajat). He also worked as Deputy Head of Treasury and Financial Markets at Commercial Bank of Qatar covering all treasury and investment products, and before that worked within the international Protocol and agreements departments and as senior Trader at the Central Bank of Jordan as well as Arab Bank in Jordan.

Mohamed holds two master's degrees and an MSc. in International Securities, Investment and Banking. ISMA/ Reading University (UK) and another MSc. In International Capital Markets from Brighton University, UK. He also graduated with B.Sc. Business Administration and Economics from the University of Jordan.

Thanwa Al Naimi
Head - Private Wealth
Joined in 2014

Thanwa is an experienced Banker who brings over 20 years of banking experience. Having joined Lesha Bank in 2014, she is currently leading the Private Banking team in managing and overseeing the private banking business, client base, Investment and Wealth Management.

Thanwa has an in-depth knowledge and experience in UHNWI & HNWI client segment, Investments and Wealth Management while she took the forefront role in establishing the Private Banking business in Lesha Bank. Prior to joining Lesha Bank, she was the Senior Manager at Qatar Islamic Bank (QIB) for a period of 16 Years.

She holds a bachelor's degree in Economics from Qatar University and attended many courses in Private Banking, Anti Money laundering, Portfolio Management, Investment and Wealth Management Business.

Jubin Jose
Head - Public Equities and Fixed Income
Joined in 2024

Jubin currently holds the position of Head of Public Equities and Fixed Income at Lesha Bank, joining the institution in 2024. With an extensive career spanning around two decades, including 17 years focused on investment management in the GCC region, he is renowned for consistently achieving impressive long-term investment results in the equity markets. Jubin has been at the forefront in leading investments in the GCC equity markets in different market cycles, earning recognition for alpha generation in the region.

Prior to his role at Lesha Bank, Jubin held the position of Equity Portfolio Manager at Epicure Investment Management, a subsidiary of Qatar Insurance Company (QIC). Under his leadership, the asset management division witnessed significant expansion, with assets under management (AUM) exceeding $1 billion.

Alexandre Bernassau
Head - Real Estate Investments
Joined in 2020

Alexandre is the Head of Investment at Lesha Bank with over 15 years of experience in the field of investment management. Alex is responsible for covering international, domestic and regional markets with a focus on real estate. He also oversees the syndication process of real estate for the private clientele of the bank. Prior to joining Lesha Bank, Alex was Director of Investments at Aspire Zone Foundation in Doha. Alex started his career in a structuring role working on derivatives and investment strategies at ABN Amro, London, and prior to that, he worked for Conduit Capital Markets, and AlgoAM, Zurich.

Alex holds a French Engineering diploma, a doctoral degree from Dauphine University in Applied Mathematics and Economics, and an MSc from Cass Business School in Mathematical Trading and Finance. Alex also holds an Islamic Finance Qualification, a certified FRM, a certified ERP, and a CAIA Charter holder.

Suhaib AlMabrouk
Head - Private Equity & Corporate Banking
Joined in 2014

Suhaib is the Head of Private Equity and Corporate Banking. He brings over 18 years of experience in the banking and financial field. He manages a diverse investment portfolio in healthcare, food and beverage, luxury retail, tech, and consumer services spread across the globe.

Suhaib holds a successful track record in sourcing and exiting private equity investments in different markets and a diverse range of sectors. He also worked at numerous multinational financial institutions such as Standard Chartered and Mashreq Bank with an expertise in finance, corporate banking, credit, and investment management.

Suhaib holds a BSc in business and economics from the University of Applied Science, Jordan, and an MBA from Heriot-Watt University, UK

Toufic Fawaz
Head - Investment Banking Advisory
Joined in 2024

Toufic is the Head of Advisory at Lesha Bank, bringing over 15 years of regional financial services experience. Toufic currently oversees the newly established division, which focuses on providing investment banking services to corporate and institutional clients including M&A, DCM / debt advisory, ECM, and restructuring advisory.

Prior to joining Lesha Bank, Toufic spent over 12 years at QInvest where he led and executed corporate finance transactions in excess of c.$26 billion. His expertise spans across local and cross-border M&A, capital markets, private debt and restructuring mandates, catering to large and mid-market corporates, sovereign wealth funds, financial institutions, Government related entities and family offices. He also played a significant role in QInvest's strategic transactions and initiatives, and was part of the principal investing efforts, completing around $250 million of private investments across the capital structure (structured private credit, private equity, and restructuring).

Toufic holds a BBA and an MBA from the American University of Beirut.

Prem Anandh Kasilingam
Head - Operations
Joined in 2015

Prem is Lesha Bank's Head of Operations. With over 21 years of banking experience, he brings wealth of knowledge to the bank. Prem joined Lesha Bank as a Senior Manager of Operations in 2015. He has experience in securities, investments, treasury, and cash management. Prior to Lesha Bank, Prem was managing Global Securities Operations, System Implementation Projects, and Standard Operating Model implementations across 36 countries around the Globe with Standard Chartered Bank's Global Operations and Change Management unit based in Singapore. Prem also managed Global Custody Settlement Operations and Client servicing for Standard Chartered Bank, Singapore as a Senior Manager.

Prem holds a master's degree in Bank Management (MBM) and a master's degree in Business Administration (MBA). He is a certified Project Management Professional (PMP) and Certified Agile Practitioner (PMI-ACP) by Project Management Institute (PMI), USA. He is also a certified Block Chain and finances professional by Blockchain Council, USA.

Mohamed Thahir
Head - Middle office
Joined in 2022

Mohamed Thahir has more than 20 years of experience in Treasury and Investment banking areas with extensive exposure to implementation of Treasury systems, Project management, process engineering and risk management.

Prior to joining Lesha Bank Thahir was Head of Treasury Operation at Masraf Al Rayan in Doha. Before moving Qatar, he held senior treasury operation and senior IT support roles in Commercial Bank of Dubai and Dubai Islamic Bank. Prior to that he worked as a software developer in India.
Thahir is experienced in accounting and operation for Treasury products and other derivative products. He has excellent IT skills, hands on experience in banking application system.

Thahir holds Bachelor of Science in Mathematics from Pondicherry University and Master's degree in Computer Application (MCA) and Business Administration (MBA) from Madras University.

Ahmed Abou Elela
Head - Corporate Services
Joined in 2020

Ahmed is the Head of Corporate Services at Lesha Bank. He has over 18 years of experience in corporate services. Ahmed is responsible for the Corporate Services, Investor Relations, Admin and Government relations department. Prior to joining Lesha Bank, Ahmed worked for a multitude of companies with various activities in trading, construction, manufacturing, retail, real estate, and hospitality.

Ahmed holds a BA in Education Department of Press & Media from Suez Canal University, Arab Republic of Egypt. In addition, he holds level 3 certificate from the Chartered Institute of Personnel and Development, England.

Khalid Al Arid
Head - IT
Joined in 2015

Khalid is the Head of IT at Lesha Bank, bringing over 15 years of experience in IT, banking, and project management. He oversees IT applications, infrastructure, and digital transformation programs. Since joining Lesha Bank in 2015, Khalid has played a key role in successfully implementing core banking and SAP solutions upgrade projects.

Before joining Lesha Bank, Khalid worked with Microsoft, managing numerous projects for banking, financial institutions, real estate, manufacturing, public, and telecommunications sectors.

Khalid holds a master's degree in information network & computer science from the New York Institute of Technology, USA, and a bachelor's degree in computer information systems from Yarmouk University, Jordan.

Mirna Naccache
Director - Marketing and Communications
Joined in 2021

Mirna is the Marketing and Communications Director at Lesha Bank. She has over 11 years of experience in strategic communications, campaign and brand management, and social and digital marketing. She executed award-winning projects with creative networks, such as Ogilvy & Mather handling a global, regional, and local range of clients across various fields, including education, health, sports, arts and culture, banking, and real estate.

Prior to joining Lesha Bank, Mirna worked with TripleTwo, Qatar Museums, and The Creative Union.

Mirna holds an executive MBA from HEC Paris and BA in Communications and Design from the American University of Science and Technology, Beirut - Lebanon, in addition to an Entrepreneurship and Innovation in Emerging Economies Certificate from Harvard Business School.

6.3 Compensation & Incentives

The Board of Directors of Lesha Bank has approved a comprehensive Remuneration Policy outlining the principles, structure, and methodology for determining compensation guidelines for the CEO, senior executives, and staff. The Board has delegated the Nomination, Remuneration, and Corporate Governance Committee ("NRCGC") to oversee the implementation and monitoring of this policy.

Under the policy, the NRCGC is responsible for ensuring that the Bank's remuneration systems align with sound risk management practices and regulatory requirements. It also evaluates proposals for remuneration frameworks and recommends variable compensation for employees to the Board for approval. In 2024, Lesha Bank's remuneration systems were executed in full compliance with approved policies and applicable regulations.

The compensation structure emphasizes sustainable growth, adaptability, resilience, and agility. It consists of both fixed and variable components. The Board ensures that variable compensation is generally tied to multi-year assessments and reflects the Bank's long-term performance. In determining these components, both positive and negative developments are taken into account. All compensation elements must be appropriate, both individually and collectively, and must not incentivize excessive risk-taking.

The annual Remuneration Policy for the upcoming financial year will be presented to the General Assembly for approval. Any amendments to the policy will also require General Assembly approval.

In accordance with the Bank's Disclosure Policy, remuneration details for directors and senior executive management are disclosed in the Annual Report.

Key management compensation, as disclosed in Note 24 of the Audited Financial Statement for the year ending 31 December 2024, is as follows:

Description	Remuneration (expressed in QAR'000)
Senior management personnel	8,307
Shari'a Supervisory Board remuneration	500
Total Compensation	8,807

Management's performance on Key Performance Indicators (KPIs) set by the Board. The financial and non-financial achievements highlighted in the Annual Report reflect the Executive Management's delivery on those KPIs.

6.4 Senior Management Performance Review

As part of the Remuneration Policy, the Board has completed an annual assessment of the senior management. The results reflected continued satisfaction with the Executive Management's performance on Key Performance Indicators (KPIs) set by the Board. The financial and non-financial achievements highlighted in the Annual Report reflect the Executive Management's delivery on those KPIs.

6.5 Succession Planning

The Board of Lesha Bank has adopted a policy on succession planning in order to ensure continuity in the Bank's corporate culture. The policy sets out the criteria identified for the succession plans covering top and senior management in general, in order to guarantee the continuity of business strategies. The Policy covers that Lesha Bank shall focus on developing internal talents in order to retain the top skilled staff through ongoing staff training and development.

7. RISK GOVERNANCE & INTERNAL CONTROLS

7.1 Risk Governance

Lesha Bank's internal control and risk management system is designed to contribute to the operation of a healthy and proper business, consistent with the objectives established by the Board of Directors, by identifying, managing and monitoring the principal risks faced by the Bank. The responsibility for the adoption of an adequate internal control and risk management system lies with the Board of Directors which, with the support of the ARCC, carries out the tasks assigned to it in the Corporate Governance rules and regulations.

The Bank applies the principles of sound corporate governance to the identification, measurement, monitoring, and controlling of risks, ensuring that risk-taking activities are in line with the Bank's strategy. Lesha Bank ensures that its Board, Committees, Executive Management, officers, and staff focus fully on their defined roles and responsibilities in relation to risk management.

The Board of Directors takes the lead in establishing the tone at the top by promoting risk awareness within a sound risk culture by conveying its expectations to all employees that the Board does not support excessive risk taking, and that all employees are responsible for ensuring the Bank operates within the established risk limits. The Executive Management implements and reinforces a sound risk culture and provides incentives that reward risk-adjusted approach towards transactions and dealings. The Bank's risk strategy revolves around the continuous assessment of the aggregate level and types of risk that the Board and Executive Management are willing to assume to achieve the Bank's goals, objectives, and operating plan, consistent with applicable capital, liquidity, and other requirements. The Risk Management Framework within Lesha Bank includes the policies, processes, personnel, and control systems used to identify, measure, monitor, control, and report risk exposures consistent with the Board-established business strategy.

The Risk Management Framework within Lesha Bank includes the policies, processes, personnel, and control systems used to identify, measure, monitor, control, and report risk exposures consistent with the Board-established risk appetite. The Chief Risk Officer has primary responsibility for overseeing the development and implementation of the Bank's independent risk management function. This includes, among others, the ongoing strengthening of staff skills and enhancements to risk management systems, policies, processes, quantitative models, and reports as necessary to ensure the Bank's risk management capabilities are sufficiently robust and effective to fully support its strategic objectives and all of its risk-taking activities. The Chief Risk Officer reports on quarterly basis to the ARCC on all major risks that the Bank faces. The Chief Risk Officer is also a permanent member of the management committees: (i) Investment Committee (ii) Credit Committee (iii) Assets and Liabilities Committee (iv) IT Governance Committee (v) Tender Committee (vi) Valuation Committee.

At Lesha Bank, the basis for efficient risk management is a strong, shared risk culture. The Bank's functions for internal control and risk management are based on three lines of defence:

First line of defence - risk management by business units

The first line of defence refers to all risk management activities carried out by the business operations. Each business function owns the risks within their respective area of responsibility and are also responsible for ensuring that structures for internal control and reliable processes are in place so that risks are identified, assessed, managed, monitored, reported and kept within the Bank's business strategy and in accordance with the Risk Management Framework. First line responsibilities also include establishing a relevant governance structure to ensure compliance with regulatory and policy requirements.

Second line of defence - independent control functions

The second line of defence refers to the independent control functions, including the Risk Department and the Compliance Department. These functions define the risk management framework, which covers all material risks within the Bank. The framework determines how risks are identified, assessed, measured, managed, monitored and reported. The second line of defence also monitors and assesses the efficiency of the risk management processes and controls implemented by relevant risk owners. The second line of defence challenges and validates the first line's risk management activities, controls and analyses the Bank's material risks, and provides the CEO, the Board and ARCC with independent risk reporting.

Third line of defence - Internal Audit (IA)

Lesha Bank maintains an independent Internal Audit function, with the Director of Internal Audit Internal Auditor appointed by and reporting to the Audit, Risk & Compliance Committee (ARCC). This structure ensures independence from executive management while leveraging a co-sourcing arrangement with Deloitte, one of the big four Audit firms, to enhance and support the in-house internal audit function in fulfilling roles and responsibilities.

Management holds the primary responsibility for developing and maintaining robust governance, risk management, and control systems, as well as identifying, preventing, and detecting irregularities and fraud. Internal Audit plays a crucial role in this by independently evaluating the Bank's governance, risk management, and internal control processes, aiming to strengthen operational efficiency. The Internal Audit function operates under a Board approved policy and follow a risk-based internal audit approach, adhering to international standards set by the Institute of Internal Auditors (IIA) and industry best practices.

Risk-based internal audit plan is prepared by Internal Audit annually and approved by the ARCC, with the flexibility to be revised and updated as needed. The Internal Audit comprehensive reports and findings are shared with management containing conclusions, recommendations and status updates.

In 2024, the ARCC was briefed by Internal Audit on key findings, observations, related risks, along with recommendations for ratification and improvement, aligning with the approved audit plan and other significant matters and specific requests from the ARCC.

The ARCC was informed of the nature and extent of observations, raised in reviewed functions, ensuring continued alignment with governance, risk management, and operational objectives.

7.2 Internal Controls

The Bank's internal control framework is embedded within the Bank's Corporate Governance Framework and the entire body of policies and procedures implemented across the Bank's departments and functions. Each document within that universe outlines the set of controls relevant to the activity or the department.

The Articles of Association set out the limits on the Board's authority and refers all matters outside that scope of authority to the General Assembly. The authorities delegated from the Board to the Executive Management and other functions within the Bank are set out in the Delegation of Authority Matrix and the relevant policies, as approved and amended from time to time.

The Board of Directors has the ultimate responsibility to ensure that the internal control framework of the Bank is effective and sufficiently addresses the risks associated with the Bank's internal and external activities. The Board delegates part of that responsibility to the ARCC which is tasked with monitoring the effectiveness and efficiency of the Bank's internal control framework. The ARCC oversees the control functions (risk, compliance, internal audit) which report on a regular basis on the relevant risks. Internal Audit function performs independent audit of the Bank covering all businesses, functions as per risk-based Audit methodology to assess the effectiveness of the controls within each department and function, identifies gaps, and provides remedies and corrective measures. Such reviews include all material controls, including financial, operational and compliance controls, risk management systems, and regulatory issues. The internal audit reports to the ARCC on the adequacy of the existing internal controls among other matters. In evaluating the impact of such assessments on the Bank, the Board and ARCC take into consideration the results of the Bank's External Auditor's evaluation. This internal control framework aims to safeguard shareholders' investment and the Bank's assets and to ensure the reliability of the Bank's financial record keeping and reporting.

Also, the Bank successfully conducted an assessment of its internal controls on financial reporting and issued its management report on the effectiveness of its internal controls on financial reporting (ICOFR) for the year 2024 in accordance with the requirements of the QFCRA and QFMA.

7.3 Shari'a Compliance

The Shari'a Compliance function coordinates closely with the Shari'a Supervisory Board to ensure the adherence of the Bank to Shari'a principles. The Shari'a Compliance function operates as an extension of the Compliance function and aligns its tasks with the mandate of the Compliance function. At Lesha Bank, the role is performed by the Shar'ia Compliance Senior Manager. The Shari'a Compliance acts as the secretary of the Shari'a Supervisory Board (SSB) and prepares all the minutes, pronouncements, and resolutions of the Shari'a Supervisory Board. The SSB also prepares the Annual Shari'a Report in conjunction with the Bank's Annual Report which is presented to the shareholders during the annual General Assembly and is published on the Bank's website. The SSB provides a sounding board to the Executive Management on Shari'a-related matters, and provides feedback on the compliance, or possible non-compliance of the Bank's activities with Shari'a principles including feedback on the following:

- The structures of investment and financing products and services and how the structures could be aligned with Shari'a principles.
- Align legal documentation to Shari'a principles, including the terms and conditions contained in the forms, contracts, agreements, or other documents used in executing the investment and financing transactions.

7.4 Internal Audit

The objective of Internal Audit is to provide independent and objective assessment and consulting services to add value and improve an organization's governance, risk management, and internal control processes. The purpose is to determine whether Bank's Control, Risk Management and Governance processes have been designed and implemented by the Management adequately and effectively.

The activities of Internal Audit adhere to a policy established by the Board and follow a risk-based internal audit approach in line with international standards set by the Institute of Internal Auditors (IIA) and best practices. Internal Audit annually prepares a risk-based internal audit plan, subject to approval by the ARCC, with the flexibility to be revised and updated as needed.

The findings of Internal Audit are submitted to management which includes observations, related risk, recommendations for ratification, along with their status. Further, audit observations are regularly tracked for remediation and corrective action by the management and independently validated prior to their closure.

Per standard procedure, the Appointed Internal Audit Executive meets up on a quarterly basis with the ARCC and periodically attends ARCC meetings and reports on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan, significant risk exposures and control issues and other matters needed or requested by the Board for their review and action.

In addition to its assurance role, the IA function provides adequate support and advice to the different business and control functions of the Bank, without exercising any decision-making/authorization responsibilities or in contradiction of independence requirements of Internal Auditors. The IA contributes to sound management of the Bank by providing feedback and advice on the reliability of the systems and operations, the adequacy of policies and procedures and the framework of risk management.

7.5 External Auditors

Appointment, Replacement and Duration in Office

As of the date of this report, Ernst & Young (EY) serve as the External Auditors of the Bank. The consolidated financial statements and the statutory accounts of Lesha Bank are audited by EY. The external auditors are elected for one-year periods at the Annual General Assembly of shareholders and were re-elected at the AGM 2024. EY was first elected on 7 April 2020. After completing a five-year term as the Bank's external auditors, EY will end its engagement in accordance with the regulatory requirement that mandates auditor rotation every five years for entities listed on the Qatar Stock Exchange. The external auditors' performance is reviewed by the ARCC on a yearly basis, following which a recommendation is submitted to the Board for replacement or re-appointment

Fees and Autonomy

In accordance with the Bank's Articles of Association (AOA), the Annual General Assembly appoints the External Auditors and determines their remuneration based on a recommendation submitted by the Board. In line with good corporate governance practices, the Audit and Risk Committee (ARCC) regularly evaluates the audit mandate, reviewing key aspects such as budgetary considerations to ensure that audit fees remain competitive and aligned with the best interests of shareholders. Any non-audit assignments performed by the external auditors must receive prior approval from the ARCC, which ensures that such assignments do not create any conflicts of interest. The external auditors maintain their autonomy and independence, particularly in relation to the shareholders who appointed them, thus ensuring transparency and compliance with applicable regulations. For the year 2024, the audit fees amounted to QAR 420,000 while the non-audit fees totalled QAR 1,304,000.

Access to Information

The Board of Directors of Lesha Bank adopted a procedure for information flows to the External Auditors, to guarantee the transparent management of the Bank's business. The Board established conditions for the effective & efficient management and control of the activities of the Bank and the operations of the business by the Board of Directors. It provided the External Auditors with the sources of information needed for the efficient performance of their supervisory role.

Supervision and control vis-à-vis the External Auditors

The Board of Directors is responsible for the acceptance and processing of the reports from the external auditors. In this, the Board of Directors is supported by the Audit, Risk and Compliance Committee ("ARCC"), which periodically interacts with and monitors the qualification, independence and performance of the external auditors.

EY meets regularly with the ARCC and the Board of Directors to evaluate all audit findings. ARCC is charged with conducting its assessment of the findings and reporting accordingly to the Board. During fiscal year 2024, the external auditors participated in four (4) meetings of the ARCC in order to discuss audit processes as well as regulatory guidelines and monitoring. Among others, the external auditors were also involved in evaluating findings on risk factors and processes.

7.6 Compliance and Anti-Money Laundering (AML)

Lesha Bank has a dedicated Legal & Compliance department that works closely at every level of the organization to ensure that the Bank's internal regulations, processes and activities are constantly aligned with the applicable regulatory framework and the strategic objectives of the Bank, participating actively in the identification of any non-compliance risks that might give rise to judicial or administrative penalties, with consequent reputational damage. Compliance main role is to ensure that the Bank is conducting its activities in accordance with the Board approved policies and the QFC, QFCRA, QFCA and QFMA rules. The Chief of Legal & Compliance meets regularly with ARCC to review the status of the business compliance with the procedures set by the Board, to assess the compliance risks and opportunities faced at all levels of the organization and develop specific plans to address them.

The Compliance function identifies documents and assesses the compliance risks associated with the Bank's business activities, including but not limited to the development of new products and business practices, and the proposed establishment of new types of business or customer relationships, or material changes in the nature of such relationships. Compliance risks include risk of legal or regulatory sanctions, material financial loss, or loss to reputation resulting from failure to comply with applicable laws, regulations, and standards.

Other major responsibilities of the Compliance & AML function include:

- Ensuring the adherence of departments, subsidiaries and investee companies to the Rules and Regulations concerning AML and CFT issues, regulatory circulars and instructions, and any other relevant rules impacting any aspect of the Bank's activities.
- Providing proper guidance and instructions to employees on the proper application of AML and CFT related laws, regulations, and standards.
- Putting forth relevant recommendations to enhance/improve the internal control procedures that help mitigate non-compliance and AML/CFT sanctions and fraud risks.
- Keeping abreast with new laws and regulations and informing the Executive Management and the concerned departments for their timely implementation.
- Monitoring the financial transactions of clients, conducting investigations, and raising reports of suspicious transactions to the Financial Information Unit (FIU) and the regulatory authorities.
- Ensuring the proper implementation of Client Due Diligence and enhanced due diligence (EDD) for high-risk clients.
- Ensuring the proper implementation of FATCA and CRS regulations; and
- Providing training and awareness to the Bank's staff on governance, QFCRA regulations, AML/CFT, sanctions, fraud, and FATCA/CRS regulations on frequent basis.

The Compliance function monitors and tests compliance by performing independent compliance reviews to identify regulatory breaches and noncompliance issues. The results of the compliance reviews are reported to the Board and ARCC, the CEO and the concerned Executive Management on a regular basis.

The Compliance function provides regular quarterly reports to the ARCC on the activities undertaken by the function and raises any flags concerning possible breaches or gaps in the Bank's policies or practices. The reports provide and recommend corrective measures and a list of remedies applied to existing identified incidents.

At Lesha Bank, the Compliance function is performed by the Compliance Department, headed by the Chief of Legal & Compliance who is supported by the Senior Vice-president of Compliance which assumes the responsibility of the Anti-Money Laundering Reporting Officer for the Bank, and the Vice President of Legal & Compliance and Deputy Anti-Money Laundering Reporting Officer.

The Chief of Legal & Compliance has primary responsibility for overseeing the development and implementation of the Bank's compliance and AML function. This includes, among others, the ongoing strengthening of staff skills and enhancements to compliance and AML, policies, processes, and reports as necessary to ensure the Bank's compliance and regulatory risk management capabilities are sufficiently robust and effective to fully support its strategic objectives.

The Chief of Legal & Compliance reports on quarterly basis to the ARCC on all compliance and regulatory issues that the Bank faces to ensure that the governance framework, policies and procedures and practices relating to compliance matters in Lesha Bank align well with global leading AML/CFT practice, QFCRA's regulations, and applicable regulations within the State of Qatar.

- During 2024, the Compliance function updated the AML Policy, Sanctions Policy and AML Risk Appetite Framework. The Compliance Department also provided regular monthly, quarterly, and annual reporting to the following regulatory authorities: QFCRA, QFCA, QFC, and supported the Corporate Affairs department in its disclosures and reports to QSE and QFMA.

In addition, the Compliance function had undertaken the following tasks during the year 2024:

- Provided compliance advice and guidance on all daily inquiries raised by the Bank's Executive Management and staff on any compliance related matters concerning the Bank's activities and operations.
- Addressed all the Bank's business units' inquiries with the regulators including QFCRA and QFMA.
- Completed all regulatory reporting requirements for the year 2024.
- Oversaw the implementation progress of QFCRA notifications and advices.
- Coordinated the implementation and improvement of the KYC/AML/CTF risk-based approach controls.

7.7 Litigation and Legal Cases

Lesha Bank have several ongoing legal cases and disputes mostly minor in nature and both on an individual and collective basis.

7.8 Business Continuity Management

Lesha Bank has a Succession Planning policy that sets the framework for the Bank to respond sustaining the smooth and effective operations of the Bank throughout any changes in the executive management and senior management staff. An updated version of the CG manual was approved by the BoD in December 2023 to ensure that Lesha Bank maintains its alignment with the latest development in governance policies, protocols and practices.

7.9 Corporate Governance Manual

- Board Charter
- Board Code of Conduct
- Board Induction and training Policy
- Executive Committee Charter
- ARCC Charter
- NRCGC Charter
- Nomination Policy for Board Members
- Nomination Policy for Senior Management
- Remuneration Policy
- Board/Board Committees Performance Policy
- Chairman Terms of Reference
- CEO Terms of Reference
- Board Secretary Terms of Reference
- Related Parties Transaction Policy
- Conflict of Interest Policy
- Insider Trading Policy
- Whistleblowing Policy
- External Audit Appointment Policy
- Dividend Policy
- Disclosure & Communications & IR Policy
- Internal Audit Charter
- Stakeholders Policy

8. EMPLOYEE AND OTHER STAKEHOLDERS RIGHTS

The corporate governance manual of Lesha Bank ensures that the rights and responsibilities for the different parties in the Bank, such as the board of directors, senior managers, employees, shareholders and other stakeholders are protected and fulfilled. Lesha Bank's Corporate Governance manual ensures the Bank is run in the interests of shareholders and other stakeholders, in such a way that the Bank's resources are used efficiently. Lesha Bank has identified internal stakeholders such as the board, management and employees; and external stakeholders such as the regulators, customers, suppliers, and local community.

In protection of the employee and other stakeholders' rights, Lesha Bank ensures compliance with the corporate governance principle that stakeholders should have access to information that they need in order to make rational, informed decisions and to protect themselves from negative consequences of corporate actions. This is achieved through timely, accurate and objective disclosure.

All Lesha Bank's employees are provided with information necessary to satisfy concerns regarding workplace conditions, regulatory impact, commitment to the Bank's strategic objectives and other areas of corporate social responsibility. Employees has also access to information needed to make fully informed decisions, and to protect themselves in the workplace and in other relations with the bank. Employees have also the right to express any concern without the fear of being judged, reprimanded or subject to any disciplinary action.

For all other stakeholders, Lesha Bank makes regular and timely public announcements and disclosures in line with the regulatory requirements to keep all stakeholders informed of the Bank's activities, services and products. This includes financial data, information on new products and services, and other key strategic decisions.

9. ENVIRONMENT, SOCIAL & GOVERNANCE (ESG)

As part of its commitment to ESG principles, Lesha Bank ensures that sustainability is associated with the conduct of the activities of the Bank and with its dynamics of interaction with all the stakeholders are maintained at all times. It also ensures that the guidelines defined by the Board of Directors are implemented.

Lesha Bank has in place a Corporate Social Responsibility & Environmental, Social, and Governance Policy which was approved by the Board to foster constructive relationships with the communities that Lesha Bank operates within and provides the guidelines for its commitment to preserving the principles of ESG within its practical reach and under the supervision of the Board.

9.1 Corporate Social Responsibility (CSR)

Pursuant to the Qatar Law No. 13 of 2008 and the related clarifications issued in 2012, as applicable to all Qatari listed shareholding companies with publicly traded shares, Lesha Bank allocates 2.5% of its annual net profit to the state Social and Sports Fund.

We recognize the profound impact of Corporate Social Responsibility (CSR) on both our organization and the communities we serve. Our commitment to CSR is not just a responsibility but a strategic imperative, and by integrating social and environmental considerations into our business practices, we aim to create positive change and contribute to the well-being of society at large.

Through a shared sense of purpose and collective engagement in CSR endeavors, we not only contribute to the greater good but also build a more cohesive and resilient team poised for future success.

10. CORPORATE GOVERNANCE DISCLOSURES

Lesha Bank has throughout 2024 complied with the disclosure requirements set out in the rules and regulations of the QFMA and the QSE, and particularly those stipulated under Article 25 of the QFMA Corporate Governance Code.

10.1 Financial and Sensitive Information Disclosure to Qatar Exchange

Lesha Bank ensured timely disclosure of its quarterly, semi-annual and annual financial as well as all key and sensitive decision taken by the Board and its subcommittees. This included the announcement of the name change, headquarters change, capital structure change, appointment of new executive roles, launching of new investment products, Board meeting dates, AGA and EGA invitations, agenda and resolutions, and other information with material impact on the performance of the Bank or with potential impact on the share price.

10.2 Website Disclosure

Lesha Bank continues to update its website to include information about the composition of the Board of Directors, Board Committees, Senior Executive Management, major shareholders holding 5% and above of the Bank's share capital and corporate governance manual. The Bank's annual reports and corporate governance reports can also be found on the website of the Bank. As a general principle, Lesha Bank abstains to comment, affirmatively or negatively, on rumors, unless so requested by QSE or QFMA as a response to undisclosed material information, noting that no such incident happened during 2024.

10.3 Speaking on behalf of the Bank

Lesha Bank's Board has delegated the authority to speak publicly on behalf of the Bank to designated spokespersons. The procedures are well defined under the Disclosure, Communication Investor Relations Policy of the Bank, which sets out the disclosure and transparency principles that the Bank has to comply with and the process to ensure that the Bank is protected against reputational risk and against any rumors or misstatements.

10.4 Whistleblowing Policy and Complaints Handling

Lesha Bank's Board approved a Whistleblowing Policy and delegated ARCC with the authority to monitor the implementation of the policy. The ARCC has established a performance measurement schemes for the process adopted to receive complaints, monitor the number of complaints received, number of investigations, and time to resolve a complaint and the corrective action taken. The details of the whistleblowing process can be found in the Whistleblowing Policy of the Bank.

In 2024, the ARCC has reviewed the whistle-blowing process to ensure that no minor or serious concern were left without being properly handled and addressed by the Bank; noting that no material complaints or griefs were raised in 2024.

11. EXTERNAL AUDITORS REPORT ON CORPORATE GOVERNANCE

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF LESHA BANK L.L.C. (PUBLIC)

Reporting on the Compliance with the Qatar Financial Markets Authority's Law and relevant legislations including the Governance Code for Companies & Legal Entities Listed on the Main Market

Introduction
In accordance with Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority (QFMA) Board pursuant to Decision No. (5) of 2016, we have carried out a limited assurance engagement over the Board of Directors' assessment of compliance of Lesha Bank L.LC. (Public) (the "Bank") with the QFMA's law and relevant legislations including the Governance Code for Companies & Legal Entities Listed on the Main Market as at 31 December 2024

Responsibilities of the Board of Directors and Those Charged with Governance

The Board of Directors of the Bank is responsible for preparing the 'Corporate Governance Report' that covers at the minimum the requirements of Article 4 of the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No. (5) of 2016 (the "Code") as included in the Annual Report 2024.

In the Corporate Governance Report, the Board of Directors present their statement on compliance with the QFMA's law and relevant legislations including the Code.

In addition, the Board of Directors of the Bank is responsible for the design, implementation and maintenance of adequate internal controls that would ensure the orderly and efficient conduct of its business, including:

- adherence to Bank's policies;
- the safeguarding of its assets;
- the prevention and detection of frauds and errors;
- the accuracy and completeness of the accounting records;
- the timely preparation of reliable financial information; and
- compliance with applicable laws and regulations, including the QFMA's law and relevant legislations and the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No.(5) of 2016.

Our Responsibility

Our responsibility is to issue a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the Corporate Governance Report on compliance with the QFMA's law and relevant legislations including the provisions of the Code do not present fairly, in all material respects, the Bank's compliance with the QFMA's law and relevant legislations including the provisions of the Code, based on our limited assurance procedures.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Corporate Governance Report with the QFMA law and relevant legislations including the Code, taken as a whole, is not prepared in all material respects in accordance with the Code.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We did not perform any additional procedures that would have been required if this were to be a reasonable assurance engagement.

Our limited assurance procedures comprise mainly of inquiries of management to obtain an understanding of the processes followed to identify the requirements of the QFMA law and relevant legislations including the Code (the "Requirements"); the procedures adopted by management to comply with these Requirements; and the methodology adopted by management to assess compliance with these Requirements. When deemed necessary, we observed evidences gathered by management to assess compliance with the Requirements.

Our limited assurance procedures do not involve assessing the qualitative aspects or effectiveness of the procedures adopted by management to comply with the Requirements. Therefore, we do not provide any assurance as to whether the procedures adopted by management were functioning effectively to achieve the objectives of the QFMA's law and relevant legislations, including the Code.

Inherent Limitations

Non-financial information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

Many of the procedures followed by entities to adopt governance and legal requirements depend on the personnel applying the procedure, their interpretation of the objective of such procedure, their assessment of whether the compliance procedure was implemented effectively, and in certain cases would not maintain audit trail. It is also noticeable that the design of compliance procedures would follow best practices that vary from one entity to another and from one country to another, which do not form a clear set of criteria to compare with.

Our Independence and Quality Control

In carrying out our work, we have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and the ethical requirements that are relevant in the State of Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Bank's Annual Report 2024, but does not include the Corporate Governance Report on compliance with QFMA's law and relevant legislations including the Code, and our report thereon.

Our conclusion on the Corporate Governance Report does not cover the other information and we do not and will not express any form of assurance conclusion thereon. We have been engaged by the Bank to provide a separate reasonable assurance report on the Management's Report on Internal Control over Financial Reporting, included within the other information.

In connection with our engagement of the Corporate Governance Report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Corporate Governance Report or our knowledge obtained in the engagement, or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the complete Annual Report 2024, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Conclusion

Based on our limited assurance procedures, nothing has come to our attention that causes us to believe that the Corporate Governance Report on compliance with QFMA's law and relevant legislations including the Code do not present fairly, in all material respects, the Bank's compliance with the QFMA's law and relevant legislations including the Code.

Ahmed Sayed
Of Ernst & Young
Auditor's Registration No.: 326

Doha, State of Qatar
Date: 18 February 2025

12. EXTERNAL AUDITORS REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

Report on the Description of the Processes and Internal Controls and Suitability of the Design, Implementation and Operating Effectiveness of Internal Controls over Financial Reporting

Introduction

In accordance with Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority ("QFMA") Board pursuant to Decision No. (5) of 2016, we have carried out a reasonable assurance engagement over the Board of Directors' description of the processes and internal controls and assessment of suitability of the design, implementation and operating effectiveness of Lesha Bank L.L.C. (Public) (the "Bank") and its subsidiaries (together referred to as the "Group") internal controls over financial reporting as at 31 December 2024.

Responsibilities of the Board of Directors and Those Charged with Governance

The Board of Directors of the Bank is responsible for preparing the accompanying Management's Assessment of Internal Control over Financial Reporting that covers at the minimum the requirements of Article 4 of the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No. (5) of 2016 (the 'Code').

The Board of Directors present in their Corporate Governance Report 2024, the Management's Assessment of Internal Control over Financial Reporting, which includes:

- the Board of Directors` assessment of the suitability of design, implementation and operating effectiveness of internal control framework over financial reporting;
- the description of the process and internal controls over financial reporting for the processes of treasury and middle office, private equity and public equity investments, private banking, human resources and payroll, general ledger and financial reporting and entity-level controls;
- the control objectives; identifying the risks that threaten the achievement of the control objectives;
- designing and implementing controls that are operating effectively to achieve the stated control objectives; and
- identification of control gaps and failures; how they are remediated; and procedures set to prevent such failures or to close control gaps.

The Board of Directors is responsible for establishing and maintaining internal financial controls based on the criteria of framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO framework").

These responsibilities include the design, implementation, operation and maintenance of adequate internal financial controls that if operating effectively would ensure the orderly and efficient conduct of its business, including:

- adherence to Bank's policies;
- the safeguarding of its assets;
- the prevention and detection of frauds and errors;
- the accuracy and completeness of the accounting records;
- the timely preparation of reliable financial information; and
- compliance with applicable laws and regulations, including the QFMA's law and relevant legislations and the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No. (5) of 2016.

Our Responsibilities
Our responsibilities are to express a reasonable assurance opinion on the fairness of the presentation of the "Board of Directors' description and on the suitability of the design, implementation and operating effectiveness of the Bank's internal controls over financial reporting of Significant Processes" presented in Management's Assessment of Internal Controls over Financial Reporting in the Corporate Governance Report 2024 to achieve the related control objectives stated in that description based on our assurance procedures.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Board of Directors' description of the processes and internal controls over financial reporting is fairly presented and the internal controls were suitably designed, implemented and operating effectively, in all material respects, to achieve the related control objectives stated in the description.

An assurance engagement to issue a reasonable assurance opinion on the description of the processes and internal controls and the design, implementation and operating effectiveness of internal controls over financial reporting at an organization involves performing procedures to obtain evidence about the fairness of the presentation of the description of the processes and internal controls and the suitability of design, implementation and operating effectiveness of the controls. Our procedures on internal controls over financial reporting included, for all significant processes:

- obtaining an understanding of internal controls over financial reporting for all significant processes;
- assessing the risk that a material weakness exists; and testing and evaluating the design, implementation and operating effectiveness of internal control based on the assessed risk.

A process is considered significant if a misstatement due to fraud or error in the stream of transactions or financial statement amount would reasonably be expected to affect the decisions of the users of financial statements. For the purpose of this engagement, the processes that were determined as significant are: treasury, private equity investments, private banking, human resources and payroll, general ledger and financial reporting and entity-level controls.

In carrying out our engagement, we obtained understanding of the following components of the control system:

1. Control environment
2. Risk assessment
3. Control activities
4. Information and communication
5. Monitoring

The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the suitability of design, implementation and operating effectiveness, whether due to fraud or error. Our procedures also included assessing the risks that the Board of Directors' description of the processes and internal controls is not fairly presented and that the controls were not suitably designed, implemented and operating effectively to achieve the related control objectives stated in the Management's Assessment of Internal Controls over Financial Reporting presented in the Corporate Governance Report 2024.

An assurance engagement of this type also includes evaluating Board of Directors' assessment of the suitability of the control objectives stated therein. It further includes performing such other procedures as considered necessary in the circumstances.
We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion on the Bank's internal control system over financial reporting.

Meaning of Internal Controls over Financial Reporting
An entity's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. An entity's internal control over financial reporting includes those policies and procedures that:

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity;
2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorizations of the management of the entity; and
3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements, which would reasonably be expected to impact the decisions of the users of financial statements.

Inherent limitations
Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

Because of the inherent limitations of internal controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Therefore, internal controls over financial reporting may not prevent or detect all errors or omissions in processing or reporting transactions and consequently cannot provide absolute assurance that the control objectives will be met.

In addition, projections of any evaluation of the internal controls over financial reporting to future periods are subject to the risk that the internal control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Furthermore, the controls activities designed, implemented and operated during the period covered by our assurance report will not have retrospectively remedied any weaknesses or deficiencies that existed in relation to the internal controls over financial reporting prior to the date those controls were placed in operation.

Many of the procedures followed by entities to adopt governance and legal requirements depend on the personnel applying the procedure, their interpretation of the objective of such procedure, their assessment of whether the compliance procedure was implemented effectively, and in certain cases would not maintain audit trail. It is also noticeable that the design of compliance procedures would follow best practices that vary from one entity to another and from one country to another, which do not form a clear set of criteria to compare with.

Our Independence and Quality Control
In carrying out our work, we have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and the ethical requirements that are relevant in State of Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information
The Board of Directors is responsible for the other information. The other information comprises the information included in the Corporate Governance Report, but does not include the Management's Assessment of Internal Control Framework over Financial Reporting, and our report thereon.

Our conclusion on the Management's Assessment of Internal Control Framework over Financial Reporting does not cover the other information and we do not and will not express any form of assurance conclusion thereon. We have been engaged by the Bank to provide a separate limited assurance report on the compliance with the Qatar Financial Markets Authority's Law and relevant legislations including the Governance Code, for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority (QFMA) Board pursuant to Decision No. (5) of 2016, to be included within the other information.

In connection with our engagement on the Management's Assessment of Internal Control Framework over Financial Reporting, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Management's Assessment of Internal Control Framework over Financial Reporting or our knowledge obtained in the engagement, or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the complete Corporate Governance Report 2024, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Conclusion
In our opinion, based on the results of our reasonable assurance procedures:

a) the Management's Assessment of Internal Control over Financial Reporting presents fairly the Bank's system that had been designed as at 31 December 2024; and

b) the controls related to the control objectives were suitably designed, implemented and operating effectively as at 31 December 2024,

in all material respects, based on the COSO framework.

Ahmed Sayed
Of Ernst & Young
Auditor's Registration No.: 326

Ahmed Sayed

Doha, State of Qatar
Date: 18 February 2025

13. BOARD OF DIRECTORS ASSESSMENT OF CORPORATE GOVERNANCE REVIEW AND INTERNAL CONTROL

Based on the disclosures made in the report and the corporate governance review made by the NRCGC, the Board of Directors of Lesha Bank concludes that the Bank is compliant, in all material respects, with the applicable Governance Regulations as at 31 December 2024.

Signed on behalf of the Board of Directors by:

HE Sheikh Faisal bin Thani Al Thani
Chairman of the Board

FINANCIAL STATEMENTS

BOARD OF DIRECTORS REPORT

As Lesha Bank moves forward in its strategic development, 2024 has been a year of building scale and creating value. Through a disciplined approach to growth, investment, and operational efficiency, the Bank has strengthened its position in key markets and continued to expand its capabilities.

Lesha Bank recorded a net profit of QAR 128.2 million, reflecting 36% year-on-year growth. Total income reached QAR 271 million, while total assets stood at QAR 6.82 billion. Additionally, Assets Under Management (AUM) grew to QAR 8.6 billion. These results highlight our ability to identify opportunities, optimize operations, and generate returns despite evolving market conditions.

Our investment banking division continued to build on its expertise, by advising two key deals namely Qatar's first QAR-denominated corporate Sukuk of Estithmar Holdings and QIIB's US$300 million AT1 Sukuk issuance.

In private equity, the Bank pursued targeted acquisitions in the education and technology sectors, while also executing a successful exit from David Morris International. Real estate investments remained a priority, with acquisitions such as Alta Federal Hill in the U.S. and a property in Pearl-Qatar, reinforcing our focus on possible income-generating assets.

Operational enhancements continued, particularly in digital transformation and sustainability. In real estate, several properties received LEED certifications, demonstrating alignment with our sustainability principles.

Governance and risk management remained integral to our approach. In 2024, we welcomed three new Board members, bringing additional expertise to support the Bank's long-term direction. A review of Internal Control Over Financial Reporting (ICOFR) was conducted to ensure ongoing compliance and operational efficiency.

Looking ahead to 2025, Lesha Bank is focused on expanding its regional and international reach and aim to broaden our range of Shari'a-compliant financial products, considering the evolving needs of our clients.

In recognition of our financial performance, the Board has proposed a cash dividend of 5% of the nominal share value, subject to approval at the General Assembly.

With a continued focus on scale and value creation, Lesha Bank remains committed to identifying growth opportunities, strengthening its core business areas, and maintaining a disciplined approach to long-term development.

Sincerely,

Sheikh Faisal bin Thani Al Thani
Chairman of the Board

On Behalf of its Members

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LESHA BANK L.L.C (PUBLIC)

Report on the audit of the consolidated financial statements

OPINION

We have audited the consolidated financial statements of Lesha Bank L.L.C. (Public) (the "Bank" or "Parent") and its subsidiaries (collectively the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of income and attribution related to quasi-equity, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024 and its consolidated financial performance, and its consolidated cash flows for the year then ended 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).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Matter	How our audit addressed the key audit matter
Impairment of financing assets	

At 31 December 2024, the Group's gross financing assets amounted to QAR 522 million (2023: QAR 427 million) and the total provision for impairment on the financing assets amounted to QAR 347 million (2023: QAR 339 million).
 	
The process for estimating impairment provision on credit risk associated with financing assets in accordance with FAS 30 Impairment, Credit Losses and Onerous Commitments involves significant judgement.
 	
FAS 30 requires use of the Expected Credit Loss ("ECL") model for the purposes of calculating impairment provision. ECL model requires the Group to exercise significant judgement using subjective assumptions when determining both the timing and the amounts of ECL for financing assets. The assumptions regarding the economic outlook are more uncertain which increases the level of judgment required by the Group in calculating the ECL. Due to the complexity of requirements under FAS 30, and the current situation, significance of judgements applied and the Group's exposure to financing assets forming a major portion of the Group's performance, the audit of ECL for financing assets is a key audit matter.
 	
Refer to the notes to financial statements for:
• Note 4 - Significant accounting policy
• Note 5 - Use of estimates and judgements
• Note 26.6.5 - Inputs, assumptions and techniques used for estimating impairment
	Our audit approach included testing the controls associated with the relevant processes for estimating the ECL and performing substantive procedures on such estimates. We involved our internal specialist where their specific expertise was required. Our key audit procedures were as follows:
	
	• We obtained understanding of the Group's ECL policy and the design of the controls and tested the operating effectiveness of relevant controls and governance around it.
	• We have checked the completeness of the data used as input for the ECL model and the mathematical accuracy through the model processes.
	• We assessed:
	  • the Group's ECL policy including the criteria of staging and significant increase in credit risk with the requirements of FAS 30;
	  • the Group's forward-looking economic variables by comparing them on a sample basis against supporting evidences, where applicable; and
	  • the basis of determination of the management overlays against the requirements of the Group's ECL policy.
	
	• For a sample of exposures, we performed procedures to evaluate:
	  • appropriateness of exposure at default, probability of default and loss given default in the calculation of ECL;
	  • timely identification of exposures with a significant increase in credit risk and appropriateness of the Group's staging; and the ECL calculation.
	
	• Assessed the impairment allowance for individually impaired financing assets (stage 3) in accordance with FAS 30.
	• Assessed the adequacy of the Group's disclosures in relation to FAS 30 by reference to the requirements of the relevant financial reporting standards.

Key Audit Matter	How our audit addressed the key audit matter
Valuation of investments securities carried at fair value	
At 31 December 2024, the Group's carrying value of level 3 investments securities carried at fair value amounted to QAR 906 million (2023: QAR 696 million). Due to the inherently judgmental nature of the computation of the fair value of level 3 investment securities, there is a risk that the fair value and any related gain or loss recorded in the consolidated financial statements may be misstated. The key areas of judgment include: • The valuation method and discount rates applied in terms of determining the fair value of these assets • Assumptions used in the fair value calculation such as prospective financial information, expected future cash flows, expected market conditions, etc. • The current geopolitical situation and macroeconomic uncertainties Due to the subjectivity and estimation uncertainty in determining their fair values of the level 3 investment securities, this is considered a key audit matter. Refer to the notes to financial statements for: • Note 4 - Significant accounting policy • Note 5 - Use of estimates and judgements • Note 8 - Investment securities • Note 27 - Fair value of financial instruments	Our audit approach included testing the controls associated with the relevant processes for valuation of investments and performing substantive procedures on such estimates. We involved our internal specialist where their specific expertise was required. Our key audit procedures were as follows: • We evaluated the competence and capabilities of the external valuation experts appointed by the management. • We obtained external valuation reports and consulted our internal specialists whether the application of methodologies is consistent with generally accepted valuation methodologies and prior periods, and that assumptions and inputs used are consistent, in all material respects, with the business' past performance and management business strategy. • We agreed the valuation of the unquoted investments in funds to reports received from Fund managers. • We assessed the adequacy of the Group's disclosures in the consolidated financial statements including the disclosures of key assumptions, judgements and sensitivities, by reference to the requirements of the relevant accounting standards.

Other information included in the Group's 2024 Annual Report

Other information consists of the information included in the Group's Annual Report, other than the Group's consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2024 Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of the management and the Board of Directors for the consolidated financial statements

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with FAS issued by AAOIFI as modified by the QFCRA, and for such internal control as the management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Furthermore, in our opinion, the consolidated financial statements provide the information required by the Qatar Financial Centre Authority Regulations and the Bank's Articles of Association. We are also of the opinion that proper books of account were maintained by the Bank. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned regulations or the Articles of Association having occurred during the year, which might have had a material adverse effect on the Bank's financial position or performance

Ahmed Sayed

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

Doha, State of Qatar
Date: 26 January 2025

LESHA BANK L.L.C (PUBLIC)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024 (EXPRESSED IN QAR'000)

	Notes	31 December 2024	31 December 2023
ASSETS			
Cash and bank balances	6	**3,089,860**	2,962,937
Financing assets	7	**175,378**	88,387
Investments securities	8	**3,054,777**	2,440,385
Investments in real estate	9	**270,024**	264,262
Fixed assets	10	**11,747**	17,396
Intangible assets	11	**17,619**	2,554
Assets held-for-sale	12	**83,106**	387,303
Other assets	13	**119,882**	144,849
TOTAL ASSETS		**6,822,393**	6,308,073
LIABILITIES, QUASI-EQUITY AND EQUITY			
Liabilities			
Financing liabilities	14	**2,439,965**	1,862,616
Customers' balances		**186,904**	129,904
Liabilities held-for-sale	12	**13,723**	112,220
Other liabilities	15	**164,349**	149,229
Total Liabilities		**2,804,941**	2,253,969
QUASI-EQUITY			
Participatory investment accounts	16	**2,693,427**	2,827,095
EQUITY			
Share capital	17	**1,120,000**	1,120,000
Share premium		**80,003**	80,003
Legal reserve	17	**22,256**	9,439
Investments fair value reserve		**(22,769)**	(3,237)
Retained earings		**142,735**	30,206
Total Equity Attributable to Shareholders of the Bank		**1,342,225**	1,236,411
Non-controlling interest		**(18,200)**	(9,402)
Total Equity		**1,324,025**	1,227,009
TOTAL LIABILITIES, QUASI-EQIUTY AND EQUITY		**6,822,393**	6,308,073
Off-balance sheet assets under management		**8,604,433**	6,188,915
Contingent liabilities and commitments	22	**1,145**	1

These consolidated financial statements were authorised for issuance by the Board of Directors on 26 January 2025 and signed on its behalf by:

Faisal bin Thani Al Thani
Chairman

Mohammed Ismail Al Emadi
Chief Executive Officer

The attached notes are an integral part of these consolidated financial statements.

LESHA BANK LLC (PUBLIC)
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024 (EXPRESSED IN QAR'000)

	Notes	For the year ended 31 December 2024	31 December 2023
CONTINUING OPERATIONS			
INCOME			
Income from financing assets		**6,533**	11,422
Income from placements with financial institutions		**190,029**	133,012
Profit on sukuk investments		**109,254**	72,597
Profit on financing liabilities		**(123,481)**	(55,694)
Net income from financing and investing activities		**182,335**	161,337
Fee income	18	**60,694**	60,935
Dividend income		**24,382**	20,823
Gain on re-measurement of investments at fair value through income statement		**186**	5,869
Fair value loss on re-measurement of investments in real estate		**(6,396)**	-
Gain on disposal of sukuk investments		**569**	-
Gain on disposal of equity investments	8.1	**84,567**	7,387
Gain on disposal of real estate investments		**912**	-
Net foreign exchange gain		**5,567**	7,668
Other income, net	19	**31,822**	24,011
TOTAL INCOME		**384,638**	288,030
EXPENSES			
Staff costs		**(75,553)**	(66,076)
Depreciation and amortisation	10 & 11	**(7,154)**	(6,129)
Other operating expenses	20	**(51,321)**	(21,057)
TOTAL EXPENSES		**(134,028)**	(93,262)
Provision for impairment on financing assets, net of recoveries	25	**(8,253)**	(1,840)
Reversal for impairment on other financial assets	25	**2,135**	2,706
Other provisions		**(11,100)**	-
PROFIT BEFORE TAX AND ATTRIBUTION TO QUASI-EQUITY		**233,392**	195,634
Less: Net profit attributable to quasi-equity		**(114,025)**	(92,970)
PROFIT BEFORE INCOME TAX		**119,367**	102,664
Income tax expense		**-**	-
NET PROFIT FROM CONTINUING OPERATIONS		**119,367**	102,664
DISCONTINUED OPERATIONS			
Loss from discontinued operations, net of tax	12	**-**	(6,173)
NET PROFIT FOR THE YEAR		**119,367**	96,491
Attributable to:			
Equity holders of the Bank		**128,165**	94,388
Non-controlling interest		**(8,798)**	2,103
		119,367	96,491
Basic/diluted profit per share from continuing operations - QAR	21	**0.114**	0.091
Basic/diluted profit per share from discontinued operations - QAR	21	**-**	(0.007)
Basic/diluted profit per share - QAR	21	**0.114**	0.084

The attached notes are an integral part of these consolidated financial statements.

LESHA BANK LLC (PUBLIC)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024 (EXPRESSED IN QAR'000)

	31 December 2024	31 December 2023
NET PROFIT FOR THE YEAR	**119,367**	96,491
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	**(2,620)**	-
Items that may not be subsequently classified to consolidated income statement		
Fair value changes of debt-type investments classified as FVTOCI	**(3,018)**	11,496
Fair value changes of investment in real estate reclassifed to consolidated Income statement	**(13,894)**	-
Total other comprehensive income for the year	**(19,532)**	11,496
TOTAL COMREHENSIVE INCOME FOR THE YEAR	**99,835**	107,987
Attributable to:		
Equity holders of the Bank	**108,633**	105,884
Non-controlling interest	**(8,798)**	2,103
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**99,835**	107,987

The attached notes are an integral part of these consolidated financial statements.

LESHA BANK LLC (PUBLIC)
CONSOLIDATED STATEMENT OF INCOME AND ATTRIBUTION RELATED TO QUASI-EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024 (EXPRESSED IN QAR'000)

	31 December 2024	31 December 2023
NET PROFIT FOR THE YEAR BEFORE ATTRIBUTION TO QUASI-EQUITY	**233,392**	195,634
Less: Income not attributable to quasi-equity	**(87,895)**	(74,175)
Add: Expenses not attributable to quasi-equity	**-**	-
Net profit attributable to quasi-equity holders before Bank's Mudaraba Income	**145,497**	121,459
Less: Mudarib's share	**(43,649)**	(36,438)
Add: Support provided by Bank	**12,177**	7,949
NET PROFIT ATTRIBUTABLE TO QUASI-EQUITY	**114,025**	92,970
OTHER COMPREHENSIVE INCOME		
Item that may be subsequenlty classified to consolidated statement of income	**-**	-
Share in the reserve attributable to quasi-equity	**-**	-
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR		
TOTAL PROFIT ATTRIBUTABLE TO QUASI-EQUITY	**114,025**	92,970

The attached notes are an integral part of these consolidated financial statements.

LESHA BANK LLC (PUBLIC)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 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 year	**-**	**-**	**-**	**-**	**128,165**	**128,165**	**(8,798)**	**119,367**
Transfer to legal reserve	**-**	**-**	**12,817**	**-**	**(12,817)**	**-**	**-**	**-**
Fair value adjustments	**-**	**-**	**-**	**(19,532)**	**385**	**(19,147)**	**-**	**(19,147)**
Social and Sport funds contribution	**-**	**-**	**-**	**-**	**(3,204)**	**(3,204)**	**-**	**(3,204)**
Balance at 31 December 2024	**1,120,000**	**80,003**	**22,256**	**(22,769)**	**142,735**	**1,342,225**	**(18,200)**	**1,324,025**
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 year	-	-		-	94,388	94,388	2,103	96,491
Transfer to legal reserve	-	-	-	-	(9,439)	-	-	-
Fair value adjustments	-	-	9,439	11,496	-	11,496	-	11,496
Social and Sport funds contribution	-	-	-	-	(2,360)	(2,360)	-	(2,360)
Net change in non-controlling interests	-	-	-	-	-	-	711	711
Balance at 31 December 2023	1,120,000	80,003	9,439	(3,237)	30,206	1,236,411	(9,402)	1,227,009

The attached notes are an integral part of these consolidated financial statements.

LESHA BANK LLC (PUBLIC)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024 (EXPRESSED IN QAR'000)

	Notes	For the year ended 31 December 2024	31 December 2023
OPERATING ACTIVITIES			
Net profit from continuing operations		**119,367**	102,664
Net profit from discontinued operations before tax		**-**	(6,173)
Net profit for the year		**119,367**	96,491
Adjustments for non-cash items			
Depreciation and amortisation	10 & 11	**7,154**	6,129
Loss on disposal of fixed assets		**6**	24
Gain on disposal of real estate investments		**(912)**	-
Unrealised gain on equity investments		**(186)**	(5,869)
Unrealised (profit) / loss on Sharia-compliant risk management instruments, net		**(9,124)**	19,985
Unrealised loss on investments in real estate	25	**6,396**	-
Provision for impairment on financing assets, net	25	**8,253**	1,840
Reversal for impairment on other financial assets		**(2,135)**	(2,706)
Other provisions		**11,100**	-
		139,919	115,894
Changes in:			
Financing assets		**(95,244)**	114,498
Assets held-for-sale		**(1,992)**	16,177
Other assets		**25,006**	81,014
Customers' balances		**57,000**	(180,413)
Liabilities held-for-sale		**(98,497)**	(37,767)
Other liabilities		**9,940**	(49,101)
Net cash from operating activities		**36,132**	60,302
INVESTING ACTIVITIES			
Purchase of fixed assets & intangible	10 & 11	**(804)**	(2,819)
Proceeds from disposal of fixed assets		**110**	74
Investments securities		**(617,764)**	(640,903)
Investment in real estate		**-**	(25,000)
Proceeds from disposal of real estate investments		**265,128**	-
Net change in cash and bank balances with maturity of more than 90 days		**(67,275)**	(691,423)
Net cash used in investing activities		**(420,605)**	(1,360,071)
FINANCING ACTIVITIES			
Net change in financing liabilities		**577,349**	1,120,567
Net change in participatory investment accounts		**(133,668)**	82,166
Net change in non-controlling interest		**-**	711
Net cash from financing activities		**443,681**	1,203,444
Net increase in cash and cash equivalents		**59,208**	(96,325)
Cash and cash equivalents at the beginning of the year	6	**1,892,842**	1,989,167
Cash and cash equivalents at the end of the year	6	**1,952,050**	1,892,842

The attached notes are an integral part of these consolidated financial statements.

LESHA BANK LLC (PUBLIC)
CONSOLIDATED STATEMENT OF CHANGES IN OFF-BALANCE SHEET ASSETS UNDER MANAGEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024 (EXPRESSED IN QAR'000)

	Movements during the year					
	1 January 2024	**Investments**	**Revaluations / Gross Income**	**Dividends paid**	**Bank's Fee as an agent**	**At 31 December 2024**
Investments						
Sukuk securities Portfolio	**59,090**	**168,505**	**2,674**	**(2,674)**	**-**	**227,595**
Equity securities portfolio	**6,129,825**	**2,320,515**	**110,854**	**(134,209)**	**(50,147)**	**8,376,838**
	6,188,915	**2,489,020**	**113,528**	**(136,883)**	**(50,147)**	**8,604,433**

	Movements during the year					
	1 January 2023	Investments	Revaluations / Gross Income	Dividends paid	Bank's Fee as an agent	At 31 December 2023
Investments						
Sukuk securities Portfolio	37,456	21,634	1,084	(1,084)	-	59,090
Equity securities portfolio	5,202,430	870,936	206,521	(111,195)	(38,867)	6,129,825
	5,239,886	892,570	207,605	(112,279)	(38,867)	6,188,915

The attached notes are an integral part of these consolidated financial statements.

LESHA BANK LLC (PUBLIC)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024 (EXPRESSED IN QAR'000)

1. REPORTING ENTITY

Lesha Bank L.L.C (Public) ("the Bank" or "the Parent" or "Lesha Bank") 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 authorised 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 are listed for trading on the Qatar Exchange effective from 27 April 2016 (ticker: "QFBQ").

The consolidated financial statements of the Bank for the year ended 31 December 2024 comprise the Bank and its subsidiaries (together referred to as "the Group" and individually as "Group entities"). The Parent Company / Ultimate Controlling Party of the Group is Lesha Bank L.L.C (Public). The Bank had the following subsidiaries as at 31 December 2024 and 31 December 2023:

Subsidiaries	Activity	Effective ownership as at 31 December 2024	Effective ownership as at 31 December 2023	Year of incorporation	Country
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
Gateway LLC	**Investments**	**100.0%**	0.0%	2020	Qatar
LB Credit Fund 1	**Investments**	**100.0%**	100.0%	2022	Cayman Islands

* These subsidiaries are related to investment products offered to customers refer to Note 12.

2. BASIS OF PREPARATION

Statement of Compliance

The 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 QFCRA rules. 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").

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention except for investment securities classified as Investments at fair value through equity, Investments at fair value through income statement, Shari'a-compliant-risk-management instruments and certain Investment in real estate are carried at fair value.

Functional and presentational currency

The 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. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with FAS requires management to make judgements, 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.

Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has resources to continue in the business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.
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. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described in Note 5.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The significant accounting policies adopted in the preparation of the 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.

3.1 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 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

LESHA BANK LLC (PUBLIC)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024 (EXPRESSED IN QAR'000)

i. sheet assets under management" is now being used instead of "restricted investment accounts";
ii. Definitions have been modified and improved;
iii. 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;
iv. Institutions other than Banking institutions are allowed to classify assets and liabilities as current and non- current;
v. Disclosure of Zakah and Charity have been relocated to the notes to the financial statements;
vi. True and fair override has been introduced;
vii. Treatment for change in accounting policies, change in estimates and correction of errors has been introduced;
viii. Disclosures of related parties, subsequent events and going concern have been improved;
ix. Improvement in reporting for foreign currency and segment reporting; and
x. 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 consolidated financial statements as it is applicable to Islamic finance windows.

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".

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the consolidated financial statements are set out below:

4.1 Basis for consolidation

i. Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.from the date that control ceases.

ii. Basis of consolidation

The consolidated financial statements comprise of the financial statements of the Bank and its subsidiaries. All intra-group balances, transactions, income and expenses and unrealised profits and losses resulting from intra-group transactions are eliminated in full on the consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Business combinations are accounted for using the acquisition method as at the acquisition date i.e. when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in the consolidated income statement immediately. Transaction costs are expensed as incurred, except if they are related to the issue of debt or equity securities.

iii. Non-controlling interests

Interests in the equity of subsidiaries not attributable to the parent are reported in consolidated statement of financial position in owners' equity as non-controlling interests. Profits or losses attributable to non-controlling interests are reported in the consolidated income statement as profits or losses attributable to non-controlling interests. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in owners' equity. Gains or losses on disposals to non-controlling interests are also recorded in owners' equity.

iv. Special purpose entities

Special purpose entities (SPEs) are entities that are created to accomplish a narrow and well-defined objective such as the securitisation of particular assets, or the execution of a specific borrowing or investment transaction and usually voting rights are relevant for the operating of such entities. An investor that has decision-making power over an investee and exposure to variability of returns determines whether it acts as a principal or as an agent to determine whether there is a linkage between power and returns. The Group in its ordinary course of business may manage an asset or a business for the benefit of stakeholders other than its equity holders through an agency (usually investment agency) or similar arrangement. Control does not include situations whereby the institution has the power, but such power is exercisable in a fiduciary capacity, and not for the variable returns to the institution itself. Performance incentives receivable by an agent are in a fiduciary capacity, and hence not considered to be variable returns for the purpose of control assessment The Group in its fiduciary capacity manages and administers assets held in trust and other investment vehicles on behalf of investors. The financial statements of these entities are usually not included in these consolidated financial statements.

v. Loss of control

When the Group losses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity. Any surplus or deficit arising on the loss of control is recognised in consolidated income statement. Any interest retained in the former subsidiary, is measured at fair value when control is lost. Subsequently it is accounted for as an equity-accounted investee or in accordance with the Group's accounting policy for investment securities depending on the level of influence retained.

vi. Equity accounted investees

This comprise investment in associates and joint ventures. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exits when the Group holds between 20% and 50% of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, where the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Associates and Joint ventures are accounted for under equity method. These are initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investees after the date of acquisition. Distributions received from an investees reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the investor's proportionate interest in the investees arising from changes in the investee's equity. When the Group's share of losses exceeds its interest in an equity-accounted investees, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the equity-accounted investees. Equity accounting is discontinued when an associate is classified as held-for-sale.

LESHA BANK LLC (PUBLIC)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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vii. Transactions eliminated on consolidation and equity accounting

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency translation gains or losses) from intra-group transactions with subsidiaries are eliminated in preparing the consolidated financial statements. Intra-group gains on transactions between the Group and its equity-accounted investees are eliminated to the extent of the Group's interest in the investees. Unrealised losses are also eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Accounting policies of the subsidiaries and equity- accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

4.2 Foreign currencies

Transactions and balances

Transactions in foreign currencies are translated into Qatari Riyals at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Qatari Riyals at the rates ruling at the date of consolidated financial position.

All differences from gains and losses resulting from settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement. Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency, including equity investments, are translated using the exchange rates at the date when the fair value was determined. Effects of exchange rate changes on non-monetary items measured at fair value in a foreign currency are recorded as part of the fair value gain or loss.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a local currency different from the presentational currency are translated as follows:

- Assets and liabilities for each financial position presented are translated at the closing rate at the date of that financial position,
- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- All resulting exchange differences are recognised as a separate component of the consolidated statement of changes in owners' equity.

4.3 Investment securities

(i) Categorization and classification

FAS 33 - "Investment in sukuk, shares and similar instruments" contains classification and measurement approach for investments in sukuk, shares and similar instruments that reflects the business model in which such investments are managed and the underlying cash flow characteristics.

The Group categorizes each investment as:

(a) equity-type instruments;
(b) debt-type instruments (including monetary and non-monetary); and
(c) other investment instruments.

Debt-type instruments are a type of investment instruments, whereby the transaction structure results in creation of a monetary or non-monetary liability. Equity-type instruments are the instruments that evidence a residual interest in the assets of an entity after deducting all its liabilities and quasi-equity balances, including ordinary equity instruments and such other structured investment instruments that classify as equity instrument. Other investment instruments are such investment instruments which do not meet the definition of either debt-type or equity-type instruments.
Unless irrevocable initial recognition choices provided in the standard are exercised, an institution shall classify investments as subsequently measured at either of (i) amortised cost, (ii) fair value through other comprehensive income or (iii) fair value through income statement, on the basis of both:

(a) the Group's business model for managing the investments; and
(b) the expected cash flow characteristics of the investment in line with the nature of the underlying Islamic finance contracts.

Classification

Investments are classified based on the Group's assessment of the business model within which the investments are managed, and assessment of whether the contractual terms of the investment represents either a debt-type instrument or other investment instrument having reasonably determinable effective yield.

Investments in debt-type instruments are classified into the following categories: 1) at amortised cost or 2) at fair value through other comprehensive income.
Amortised cost

An investment shall be measured at amortised cost if both of the following conditions are met:

(a) the investment is held within a business model whose objective is to hold such investment in order to collect expected cash flows till maturity of the instrument; and
(b) the investment represents either a debt-type instrument or other investment instrument having reasonable determinable effective yield.

Fair value through other comprehensive income ("FVOCI")

An investment shall be measured at FVOCI if both of the following conditions are met:

(a) the investment is held within a business model whose objective is achieved by both collecting expected cash flows and selling the investment; and
(b) the investment represents a non-monetary debt-type instrument or other investment instrument having reasonable determinable effective yield.

Fair value through income statement ("FVIS")

An investment shall be measured at FVIS unless it is measured at amortised cost or at FVOCI or if irrevocable classification at initial recognition is applied.

Irrevocable classification at initial recognition

The Group may make an irrevocable election to designate a particular investment, at initial recognition, being:

(a) an equity-type instrument that would otherwise be measured at FVIS, to present subsequent changes in other comprehensive income; and
(b) a non-monetary debt-type instrument or other investment instrument, as measured at FVIS if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or correlated liabilities or recognizing the gains and losses on them on different bases.

(ii) Recognition and de-recognition

Investment securities are recognised at the trade date i.e. the date that the Group contracts to purchase or sell the asset, at which date the Group becomes party to the contractual provisions of the instrument.

Investment securities are derecognised when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risk and rewards of ownership

(iii) Measurement

Initial recognition

Investment securities are initially recognised at fair value plus transaction costs, except for transaction costs incurred to acquire investments at FVIS which are charged to consolidated income statement.

Subsequent measurement

Investments at FVIS are remeasured at fair value at the end of each reporting period and the resultant remeasurement gains or losses is recognised in the consolidated income statement in the period in which they arise. Subsequent to initial recognition, investments classified at amortised cost are measured at amortised cost using the effective profit method less any impairment allowance. All gains or losses arising from the amortisation process and those arising on de-recognition or impairment of the investments, are recognised in the consolidated income statement.

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.
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.

Investments at FVOCI are remeasured at their fair values at the end of each reporting period and the resultant gain or loss, arising from a change in the fair value of investments are taken through other comprehensive income and presented in a separate fair value reserve within equity.

The Group may elect to present in the statement of changes in equity changes in the fair value of certain investments in equity-type instruments that are not held for trading. The election is made on an instrumentby-instrument basis on initial recognition and is irrevocable. Gains and losses on such equity-type instruments are never subsequently reclassified to consolidated income statement, including on disposal. However, cumulative gains and losses recognised in fair value reserve are

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transferred to retained earnings on disposal of an investment. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in consolidated income statement, unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in consolidated statement of changes in equity.

For debt type investments classified as FVOCI, the cumulative gain or loss previously recognized in the consolidated statement of changes in equity is transferred to the consolidated income statement.

(iv) Measurement principles

Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus capital repayments, plus or minus the cumulative amortisation using the effective profit method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment. The effective profit rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. The calculation of the effective profit rate includes all fees and points paid or received that are an integral part of the effective profit rate.

Fair value measurement

Fair value is the amount for which an asset could be exchanged, or an obligation settled between well informed and willing parties (seller and buyer) in an arm's length transaction. The Group measures the fair value of quoted investments using the market bid price for that instrument at the close of business on the consolidated statement of financial position date. For investment where there is no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument, which is substantially the same or is based on the assessment of future cash flows. The cash equivalent values are determined by the Group by discounting future cash flows at current profit rates for contracts with similar term and risk characteristics.

4.4 Financial assets and liabilities

Recognition

Financial assets and liabilities are recognised on the trade date at which the Group becomes a party of the contractual provisions of the instruments.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the right to receive cash flows from the asset has expired; or
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its right to receive cash flows from the asset and either: (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Financial assets and financial liabilities are only offset, and the net amounts reported in the consolidated statement of financial position when there is a legally enforceable right to set off the recognised amounts and the Group intends to either settle these on a net basis or intends to realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Bank or the counterparty.

4.5 Cash and cash equivalents

Cash and cash equivalents as referred to in the consolidated statement of cash flows comprise of cash and balances with banks and amounts of placements with financial institutions with an original maturity of three months or less. Placements with financial institutions comprise placements with banks in the form of Wakala and Murabaha investments. They are stated at cost plus related accrued profit and net of provision for impairment, if any.

4.6 Due from banks

Due from banks represent amounts of placements with financial institutions with an original maturity more than three months. Due from banks placements are invested under Wakala, Murabaha and Mudaraba terms. They are stated at cost plus related accrued profit and net of provision for impairment, if any.

4.7 Financing assets

Financing activities comprise Murabaha and Ijarah contracts:

Due from Murabaha contracts

Murabaha receivables are stated at their gross principal amounts less any amount received, provision for impairment, profit in suspense and unearned profit. These receivables are written off and charged against specific provisions only in circumstances where all reasonable restructuring and collection activities have been exhausted, any recoveries from previously written off financing activities are written back to the specific provision. The Group considers the promise made in Murabaha to the purchase orderer as obligatory.

Due from Ijarah contracts

Ijarah receivables arise from financing structures when the purchase and immediate lease of an asset are at cost plus an agreed profit (in total forming fair value). The amount is settled on a deferred payment basis. Ijarah receivable are carried at the aggregate of the minimum lease payments, less deferred income (in total forming amortised cost) and impairment allowance (if any). Ijarah income is recognised on time-apportioned basis over the lease period. Income related to non-performing accounts is excluded from the consolidated income statement.

4.8 Impairment

Impairment of financial assets (other than equity type of investments classified as fair value through equity)

The Group assesses impairment at each financial reporting date whenever there is objective evidence that a specific financial asset or a group of financial assets may be impaired.

The Group applies a three-stage approach to measuring credit losses on financial assets carried at amortised cost. Assets migrate through the following three stages based on the change in financing assets quality since initial recognition.

Stage 1: 12 months ECL - not credit impaired
Stage 1 includes financial assets on initial recognition and that do not have a significant increase in credit risk since the initial recognition or that have low credit risk. For these assets, ECL are recognised on the gross carrying amount of the asset based on the expected credit losses that result from default events that are possible within 12 months after the reporting date. Profit is computed on the gross carrying amount of the asset.

Stage 2: Lifetime ECL - not credit impaired
Stage 2 includes financial assets that have had a significant increase in credit risk (SICR) since initial recognition but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised, but profit is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument.

Stage 3: Lifetime ECL - credit impaired
Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognised.

Financing assets carried at amortised cost are impaired when their carrying amounts exceed their expected present value of estimated future cash flows discounted at the asset's original effective profit rate. Subsequent recovery of impairment losses are recognised through the consolidated income statement, the reversal of impairment losses shall not result in a carrying amount of the asset that exceeds what the amortised cost would have been had the impairment not been recognised.

Impairment of equity type of investments classified as fair value through equity

In case of equity investments classified as fair value through equity, objective evidence would include a significant or prolonged decline in the fair value of the investment below its carrying amount. The determination of what is significant or prolonged requires judgement and is assessed for each investment separately.

Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the consolidated income statement - is removed from equity and recognised in the consolidated income statement. Impairment losses on equity investments are not reversed through the consolidated income statement; increases in their fair value after impairment are recognised directly in the fair value reserve in the consolidated statement of changes in owners' equity.

Impairment of non-financial assets

The Group assesses at each reporting date if events or changes in circumstances indicate that the carrying value of a non-financial asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. Where the carrying amount of an asset (or cash-generating unit) exceeds its recoverable amount, the asset (or cash-generating unit) is considered impaired and is written down to its recoverable amount.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the financed counterparty, then an assessment is made of whether the financial asset should be derecognized and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from existing asset;
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective profit rate of the existing financial asset.

For assets excluding goodwill, an assessment is made at each financial position date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. Impairment losses relating to goodwill cannot be reversed for subsequent increases in the recoverable amount in future periods.

4.9 Investment in real estate

Investment in real estate comprises of building and other related assets which are held by the Group to earn rentals and/ or are expected to benefit from capital appreciation. Initially investments are recognised at cost including directly attributable expenditures. Subsequently to initial recognition, investments are carried at fair value. The fair value of investments is re-measured at each reporting date and the difference between the carrying value and fair value is recognised in the consolidated statement of changes in owners' equity under property fair value reserve.

In case of losses, they are then recognised in equity under property fair value reserve to the extent of availability of the reserve through earlier recognised gains assumed, in case such losses exceeded the amount available in the equity fair value reserve for a particular investment in real estate, excess losses are then recognised in the consolidated income statement under unrealised re-measurement losses on investments.

Upon occurrence of future gains, unrealised gains related to the current period are recognised in the consolidated income statement to the extent of crediting back previously recognised losses in the consolidated income statement and excess gains then are recognised in the equity under property fair value reserve.

Investment in real estate is derecognised when they have been disposed off or transferred to investment in real estate-held for sale when the investment in real estate is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment in real estate along with any available fair value reserves attributable to that investment are recognised in the consolidated income statement in the year of retirement or disposal.

Investment property acquired through Ijarah

Real estate investment property held by the Bank as a lessee is initially recognised at cost. The Bank has elected to subsequently measure these assets at fair value with any subsequent unrealized gain or loss to be recognized directly in equity under 'property fair value reserve'.

4.10 Assets held-for-sale and discontinued operations

Classification

The Group classifies non-current assets or disposal groups as held-for-sale if the carrying amount is expected to be recovered principally through a sale transaction rather than through continuing use within twelve months, which can be extended in certain circumstances beyond due to events outside of Group's control and there is evidence that the Group is still committed to the plan to sell the non-current assets or disposal groups.

A disposal group is a group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

If the criteria for classification as held for sale are no longer met, the entity shall cease to classify the asset (or disposal group) as held for sale and shall measure the asset at the lower of its carrying amount before the asset (or disposal group) was classified as held-for-sale, adjusted for any depreciation, recognised or revaluations that would have been recognised had the asset (or disposal group) not been classified as held-for-sale and its recoverable amount at the date of the subsequent decision not to sell.

Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to financial assets and investment property carried at fair value, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in the consolidated income statement. Gains are not recognised in excess of any cumulative impairment loss.

Measurement

Non-current assets or disposal groups classified as held-for-sale, other than financial instruments, are measured at the lower of its carrying amount and fair value less costs to sell. Financial instruments that are non-current assets and 'held-for-sale' continue to be measured in accordance with their stated accounting policies. On classification of equity-accounted investee as held-for-sale, equity accounting is ceased at the time of such classification as held-for-sale. Non-financial assets (i.e. intangible assets, equipment) are no longer amortised or depreciated.

Discontinued operations

A discontinued operation is a component of the Group's business, the operations, and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held-for-sale, if earlier. When an operation is classified as a discontinued operation, the comparative consolidated income statement is re-presented as if the operation had been discontinued from the start of the comparative year.

4.11 Fixed assets

Fixed assets are stated at historical cost less accumulated depreciation and impairment charges (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to the consolidated income statement during the financial year in which they are incurred. The Group depreciates fixed assets except for land, on a straight-line basis over their estimated useful lives as follows:

Category description	Years
Equipment	3 - 5
Furniture and fixtures	3 - 10
Building renovations	5 - 10
Motor vehicles	5

4.12 Intangible assets

Intangible assets include the value of computer software and intangible assets that were identified in the process of a business combination. The cost of intangible assets is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses, if any. Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives as follows:

Category description	Years
Software and core banking system	3 - 10

4.13 Customer current accounts

Balances in customer current accounts do not carry any return and are recognised when received by the Group. The transactions are measured as the amount received by the Group at the time of contracting. At the end of the reporting period, these accounts are measured at amortised cost.

4.14 Quasi-equity

Quasi-equity is an element of the financial statements that represents participatory contributions received by an institution on a profit sharing or participation basis. It has:

- primary characteristics of equity i.e., in case of loss (unless negligence / misconduct / breach of contractual terms is proved), the Group is not liable to return the lost funds to the fund providers and the fund providers share the residual interest in the underlying assets or business;
- certain characteristics of a liability i.e., it has a maturity or a put option of redemption / liquidation; and
- certain specific features i.e., the rights of the fund providers are limited only to the underlying assets or business and not on the whole of the institution, as well as, they do not have certain rights associated only with owners' equity.

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All contributions of quasi-equity holders are measured by the amount received during the time of contracting. At the end of the financial period, the equity of quasi-equity holders is measured at the amount received plus share of profit and related reserves less amounts settled.

Quasi-equity holders include participatory investment accounts (unrestricted investment accounts and other on-balance-sheet investment accounts).

Participatory investment accounts

Participatory investment accounts are funds held by the Group, which it can invest at its own discretion. The participatory investment account holders authorises the Group to invest the account holders' funds in a manner which the Group deems appropriate without laying down any restrictions as to where, how and for what purpose the funds should be invested.

The Group charges a management fee (Mudarib fees) to participatory investment account holders. Of the total income from investment accounts, the income attributable to account holders is allocated to participatory investment accounts after setting aside provisions and deducting the Group's share of income as Mudarib. The allocation of income is determined by the management of the Group within the allowed profit-sharing limits as per the terms and conditions of the investment accounts.

Up to 31 December 2023, participatory investment accounts were referred to as Equity of unrestricted investment account holders.

4.15 Off-balance-sheet assets under management

Off-balance-sheet assets under management represents funds received by the Group from third parties for investment in specified products as directed by the investment account holders. These assets are managed in a fiduciary capacity and the institution has no entitlement to these assets. Clients bear all of the risks and earn all of the rewards on these investments. Off-balance-sheet assets under management are not included in the consolidated statement of financial position since the Group does not have the right to use or dispose these investments except within the conditions of the contract between the Group and its clients.

4.16 Share capital and reserve

The Group has issued ordinary shares that are classified as equity instruments. Incremental external costs that are directly attributable to the issue of these are recognised in equity.

Legal reserve

In accordance with the Bank's Articles of Association, up to 10% of the net profit for the year may be transferred to legal reserve each year until this reserve is equal to 50% of the paid-up share capital. The reserve is not available to distribution except in the circumstances stipulated in the Bank's Articles of Association.

Dividends on ordinary shares

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Bank's equity holders.

4.17 Recognition of income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Income earned by the Group is recognised on the following basis:

Income from financing activities

Murabaha

Profit from Murabaha transactions is recognised when the income is both contractually determinable and quantifiable at the commencement of the transaction. Such income is recognised on a time-apportioned basis over the period of the transaction. Where the income from a contract is not contractually determinable or quantifiable, it is recognised when the realisation is reasonably certain or when actually realised. Income related to non-performing accounts is excluded from the consolidated income statement.

Ijarah

Ijarah income is recognised on a time-apportioned basis over the lease period. Income related to non-performing accounts is excluded from the consolidated income statement.

Income from placements with financial institutions

Income from short term placements is recognised on a time apportioned basis over the period of the contract based on the principal amounts outstanding and the expected profits.

Rental income

The Group recognises rental income from properties according to the rent agreements entered between the Group and the tenants on an accrual basis over the period of the contract.

Dividend income

Dividend income is recognised when the Group's right to receive the dividend is established.

Fee income

Fees are generally recognised on an accrual basis when the service has been provided.

4.18 Employee benefits

Defined contribution plans

The Group provides for its contribution to the State administered retirement fund for Qatari employees in accordance with the retirement law, and the resulting charge is included within the staff costs in the consolidated income statement. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised when they are due.

Employee's end of service benefits

The Group establishes a provision for all end of service benefits payable to employees in accordance with the Group's policies which comply with laws and regulations applicable to the Group. Liability is calculated on the basis of an individual employee's salary and period of service at the financial position date. The provision for employees' end of service benefits is included within other liabilities.

4.19 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

4.20 Contingent liabilities

Contingent liabilities include guarantees, letters of credit, Group's obligations with respect to unilateral promise to buy/sell currencies, profit rate swaps and others. These do not constitute actual assets or liabilities at the consolidated statement of financial position date except for assets and obligations relating to fair value gains or losses on these derivative financial instruments.

4.21 Shari'a-compliant-risk-management instruments

Shari'a-compliant-risk-management instruments, including unilateral/bilateral promises to buy/sell currencies, profit rate swaps, currency options are carried at their fair value. All Shari'a-compliant-risk-management instruments are carried as assets when fair value is positive, and as liabilities when fair value is negative. Changes in the fair value of these instruments are included in the consolidated income statement for the year (Net foreign exchange gain / (loss)).

4.22 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the senior management to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available. Segment reporting are disclosed in Note 28.

4.23 Income tax

(a) Current income tax

The Bank is subject to income tax in Qatar in accordance with Decree no 13 for the year 2010 of the Ministry of Economy and Commerce addressing QFC Tax regulations applicable as of 1 January 2010. Income tax expense is charged to the consolidated income statement.

As per applicable Tax Laws and regulations, listed companies are exempt from income tax.

(b) Deferred income tax

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilised.

4.23 Zakah

Zakah is directly borne by the equity holders. The Group does not collect or pay Zakah on behalf of its equity holders in accordance with the Articles of Association.

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5. USE OF ESTIMATES AND JUDGEMENTS

In the preparation of the consolidated financial statements, the Group makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events.

(a) Judgements

Establishing the criteria for determining whether credit risk on an exposure subject to credit risk has increased significantly since initial recognition, determining methodology for incorporating forward looking information into measurement of ECL and selection and approval of models used to measure ECL refer to note 4.8 and note 25.6.5 for more information.

(i) Classification of investments

In the process of applying the Group's accounting policies, management decides on acquisition of an investment whether it should be classified as investments carried at fair value through income statement or investments carried at fair value through equity or investments carried at amortised cost. The classification of each investment reflects the management's intention in relation to each investment and is subject to different accounting treatments based on such classification.

(ii) Special purpose entities

The Group sponsors the formation of special purpose entities (SPE's) primarily for the purpose of allowing clients to hold investments. The Group provides corporate administration, investment management and advisory services to these SPE's, which involve the Group making decisions on behalf of such entities. The Group administers and manages these entities on behalf of its clients, who are by and large third parties and are the economic beneficiaries of the underlying investments. The Group does not consolidate SPE's that it does not have the power to control. In determining whether the Group has the power to control an SPE, judgements are made about the objectives of the SPE's activities, its exposure to the risks and rewards, as well as about the Group intention and ability to make operational decisions for the SPE and whether the Group derives benefits from such decisions.

(iii) Impairment of equity investments at fair value through equity - refer to note 4.3.

(b) Estimations

(i) Impairment of exposures subject to credit risk carried at amortised cost

Determining inputs into ECL measurement model including incorporation of forward-looking information refer to note 4.8 and note 25.6.5 for more information.

(ii) Measurement of fair value of unquoted equity investments

The group determines fair value of equity investments that are not quoted in active markets by using valuation techniques such as discounted cashflows, income approach and market approaches. Fair value estimates are made at a specific point in time, based on market conditions and information about the investee companies. These estimates are subjective in nature and involve uncertainties and matter of significant judgment and therefore, cannot be determined with precision. There is no certainty about future events such as continued operating profits and financial strengths. It is reasonably possible based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the investments. In case where discounted cash flows models have been used to estimate fair values, the future cashflows have been estimated by the management based on information form and discussion with representatives of investee companies and based on the latest available audited and unaudited financial statements. The basis of valuation has been reviewed by the management in terms of the appropriateness of the methodology, soundness of assumptions and correctness of calculations refer to note 27.

Valuation of equity investments are measured at fair value through equity which involves judgment and is normally based on one of the following:

- Valuation by independent external value for underlying properties / projects;
- Recent arms-length market transaction;
- Current fair value of another contract that is substantially similar;
- Present value of expected cash flows at current rates applicable for items with similar terms and risk characteristics; or
- Application of other valuation models.

6. CASH AND BANK BALANCES

The table below summarizes the movement in investments in real estate during the year:

	Note	31 December 2024	31 December 2023
Cash in hand		**30**	35
Balances with banks (current accounts)		**67,416**	257,716
Placements with financial institutions		**3,026,345**	2,709,557
Provision for impairment	25 6.5	**(3,931)**	(4,371)
		3,089,860	2,962,937
Less: cash and bank balances with maturity of more than 90 days		**(1,141,741)**	(1,074,466)
Add: provision for impairment (non-cash)		**3,931**	4,371
		1,952,050	1,892,842

Placements with financial institutions represent inter-bank placements in the form of Wakala and Murabaha.

7. FINANCING ASSETS

The table below summarizes the movement in investments in real estate during the year:

	Note	31 December 2024	31 December 2023
Murabaha financing		**352,578**	310,625
Deferred investment sales		**179,132**	90,087
Others		**31,527**	49,973
Total financing assets		**563,237**	450,685
Deferred profit		**(40,820)**	(23,487)
Provision for impairment on financing assets	26.6.5	**(347,039)**	(338,811)
Net financing assets		**175,378**	88,387

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8. INVESTMENTS SECURITIES

	Note	31 December 2024	31 December 2023
Classified as fair value through income statement			
- Equity type (unquoted)		**627,424**	424,978
- Fund type		**279,180**	273,410
		906,604	698,388
Debt-type classified at amortised cost			
- Debt type sukuk investments	(iii)	**41,860**	100,409
- Accrued profit		**854**	1,090
- Unamortised premiums, net		**107**	455
- Allowance for impairment	25.6.5	**(1,094)**	(1,288)
		41,727	100,666
Classified as fair value through other comprehensive income			
- Equity type (unquoted)	(ii)	**51,908**	-
- Equity type (unquoted)		**79,973**	79,385
- Debt type sukuk investments	(iii)	**1,974,565**	1,561,946
		2,106,446	1,641,331
		3,054,777	2,440,385

i. Profit on re-measurement of investments at fair value through income statement for the year ended 31 December 2024 was QAR 0.2 million (2023: QAR 5.9 million).
ii. During the year ended 31 December 2024, the bank recorded a positive fair value reserve of QAR 1.9 million (2023: Nil) on listed equity investments.
iii. During the year ended 31 December 2024, the Bank recognized a positive fair value reserve of QAR 3.0 million (2023: a positive fair value of QAR 26.6 million) related to these sukuk investments. Sukuk investments of nominal value of QAR 697.4 million (2023: QAR 147.8 million) and fair value of QAR 708.9 million (2023: QAR 153.6 million) of the Group have been pledged as security for bank financing liability of QAR 597 million (2023: QAR 109 million).

Movements in the investments at fair value are as follows:

	31 December 2024			31 December 2023		
	Investments at fair value through equity	**Investments at fair value through income statement**	**Total**	Investments at fair value through equity	Investments at fair value through income statement	Total
At the beginning of the year	**1,641,331**	**698,388**	**2,339,719**	958,312	665,762	1,624,074
Additions:						
Sukuks, net	**411,118**	**-**	**411,118**	704,966	-	704,966
Equity investment	**55,116**	**372,607**	**427,723**	8,918	139,066	147,984
Disposal	**-**	**(138,069)**	**(138,069)**	-	(128,916)	(128,916)
Allowance for impairment	**1,501**	**-**	**1,501**	(1,874)	-	(1,874)
Fair value adjustments	**(2,620)**	**(26,322)**	**(28,942)**	(28,991)	22,476	(6,515)
At the end of the year	**2,106,446**	**906,604**	**3,013,050**	1,641,331	698,388	2,339,719

8.1 Gain on disposal of equity investments

During the year, the Bank disposed its equity investments with total carrying value of QAR 138.1 million (2023: QAR 128.9 million) and recognized a gain on disposal of equity investments of QAR 57.7 million (2023: QAR 7.4 million).

The above gain on equity investment are resulting from investment in private equity business as part of business model of the Bank.

9. INVESTMENT IN REAL ESTATE

The table below summarizes the movement in investments in real estate during the year:

	31 December 2024	31 December 2023
At the beginning of the year	**264,262**	225,368
(Disposal) / addition	**(278,149)**	25,000
Transferred from assets held-for-sale	**290,307**	-
Fair value gain / (loss) on re-measurement of investments in real estate	**(6,396)**	13,894
At the end of the year	**270,024**	264,262

During the year, the Bank exited its investment in real estate located in Al Messila, State of Qatar and recognized a disposal gain of QAR 13.9 million in the statement of income for the year ended 31 December 2024. Furthermore, Investment in real estate are reclassified to continuing operations (refer to note 12).

10. FIXED ASSETS

	Equipment	Furniture and fixture	Motor vehicles	Right of use assets	Capital working in progress	Total
Cost						
As at 1 January 2024	**2,114**	**12,223**	**870**	**10,414**	**376**	**25,997**
Additions	**24**	**96**	**-**	**-**	**142**	**262**
Transferred from Capital working in progress	**-**	**210**	**-**	**-**	**(210)**	**-**
Transferred to intangible assets	**-**	**-**	**-**	**-**	**(308)**	**(308)**
Disposals	**-**	**-**	**(160)**	**-**	**-**	**(160)**
As at 31 December 2024	**2,138**	**12,529**	**710**	**10,414**	**-**	**25,791**
Accumulated depreciation						
As at 1 January 2024	**(720)**	**(3,029)**	**(475)**	**(4,377)**	**-**	**(8,601)**
Depreciation charge	**(706)**	**(2,480)**	**(170)**	**(2,131)**	**-**	**(5,487)**
Disposals	**-**	**-**	**44**	**-**	**-**	**44**
As at 31 December 2024	**(1,426)**	**(5,509)**	**(601)**	**(6,508)**	**-**	**(14,044)**
Net book value as at 31 December 2024	**712**	**7,020**	**109**	**3,906**	**-**	**11,747**

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	Equipment	Furniture and fixture	Motor vehicles	Right of use assets	Capital working in progress	Total
Cost						
As at 1 January 2023	18,158	11,930	913	10,492	120	41,613
Additions	510	250	160	-	376	1,296
Transferred from Capital working in progress	-	51	-	-	(120)	(69)
Adjustments	19	-	(33)	(78)	-	(92)
Disposals	(16,573)	(8)	(170)	-	-	(16,751)
As at 31 December 2023	2,114	12,223	870	10,414	376	25,997
Accumulated depreciation						
As at 1 January 2023	(16,667)	(601)	(335)	(2,448)	-	(20,051)
Depreciation charge	(596)	(2,435)	(249)	(1,929)	-	(5,209)
Adjustments	(28)	-	33	-	-	5
Disposals	16,571	7	76	-	-	16,654
As at 31 December 2023	(720)	(3,029)	(475)	(4,377)	-	(8,601)
Net book value as at 31 December 2023	1,394	9,194	395	6,037	376	17,396

11. INTANGIBLE ASSETS

	31 December 2024	31 December 2023
Cost		
At the beginning of the year	**38,385**	36,862
Additions during the year	**542**	1,523
Transferred from capital work in progress	**308**	-
Transferred from Assets Held-for-sale	**16,918**	-
At the end of the year	**56,153**	38,385
Amortisation		
At the beginning of the year	**(35,831)**	(34,911)
Amortisation charge for the year	**(1,667)**	(920)
Transferred from Assets Held-for-sale	**(1,036)**	-
At the end of the year	**(38,534)**	(35,831)
Net book value		
At the beginning of the year	**2,554**	1,951
At the end of the year	**17,619**	2,554

12. ASSETS AND LIABILITIES OF DISPOSAL GROUPS CLASSIFIED AS HELD-FOR-SALE

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

	31 December 2024	31 December 2023
Assets of disposal groups classified as held-for-sale	**-**	296,788
Equity investments held-for-sale	**83,106**	90,515
Total	**83,106**	387,303
Liabilities of disposal group classified as held-for-sale	**13,723**	387,303

12.1 Assets and liabilities of Real Estate Structures

As a part of its business, the Bank from time to time enters into 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 in accordance with FAS 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

In 2019, the Bank entered into a structure to invest in real estate within the United States of America and indirectly acquired 98.04% in real estate property (the "Fairview").

b. UK Real Estate Structures

In 2017, the Bank entered into a structure to invest indirectly to acquire 100% in a 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 31st December 2024, the Bank had sold a 71% stake out of 100% in the UK Real Estate Structure to its investors.

During the year, these investments are reclassified to continuing operations and the financial results of the above Real Estate Structures are consolidated line by line in these consolidated financial statements.

12.2 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 83.1 million has been classified as assets held for sale in the consolidated financial statements.

Acquisition of private equity structure

i. 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 Bank has successfully completed the acquisition of the entire share capital of "Bereke Bank" JSC in Kazakhstan and syndicated a 100% stake in the structure to its investors.

ii. The Bank entered into a structure to invest five Boeing 777-300ER aircraft which are leased to a leading airline in the region and syndicated a 99.3% stake in the structure to its investors. The remaining stake has been classified within investment securities (refer to note 8).

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12.3 Analysis of disposal group assets/liabilities, results and cashflows

(a) Assets and liabilities of disposal groups classified as held-for-sale

Analysis of assets and liabilities of disposal groups, which include Real Estate structures are as follows:

	Note	31 December 2024	31 December 2023
Assets of disposal groups classified as held-for-sale			
Financial assets			
Cash and cash equivalents		-	21,047
Accounts receivable		-	605
Total financial assets		-	21,652
Non-financial assets			
Investments in real estate		-	149,272
Other assets	12.2	**83,106**	216,379
Total non-financial assets		**83,106**	365,651
Total assets of disposal groups classified as held for sale		**83,106**	387,303
Liabilities of disposal groups classified as held-for-sale			
Financial liabilities		-	84,904
Due to related parties	23	**13,723**	13,723
Other financial liabilities		-	13,593
Total liabilities of disposal groups classified as held for sale		**13,723**	112,220
Net carrying value		**69,383**	275,083

(b) Analysis of results of discontinued operations is as follows:

	For the year ended	
	31 December 2024	31 December 2023
Revenue	-	29,826
Expenses	-	(35,999)
Net loss from discontinued operations	-	(6,173)
Attributable to		
- Equity holders of the Bank	-	(8,276)
- Non-controlling interest	-	2,103

(c) Analysis of cashflows of discontinued operations is as follows:

	For the year ended	
	31 December 2024	31 December 2023
Operating cash flows	-	9,060
Investing cash flows	-	(16,121)
Financing cash flows	-	12,388
	-	5,327

13. OTHER ASSETS

Other assets comprise the following:

	Note	31 December 2024	31 December 2023
Other non-financial assets			
Prepayments		**1,818**	2,988
Total other non-financial assets		**1,818**	2,988
Other financial assets			
Other receivables		**67,475**	28,241
Advances for Investments		**30,537**	102,401
Due from related parties	23	**9,100**	9,100
Fair value of Sharia-compliant-risk-management instruments	26.2	**9,124**	257
Accrued income		**1,828**	1,862
Total other financial assets		**118,064**	141,861
Total other assets		**119,882**	144,849

14. FINANCING LIABILITIES

	31 December 2024	31 December 2023
Accepted wakala deposits	**1,761,698**	1,747,529
Murabaha financing	**678,267**	115,087
	2,439,965	1,862,616

As of 31 December 2024. Sukuk investments of nominal value of QAR 697.4 million (2023: 147.8 million) of the Group have been pledged as security for bank financing liabilities of QAR 109 million of the Group.

15. OTHER LIABILITIES

	Note	31 December 2024	31 December 2023
Other non-financial liabilities			
Advances and other payables		**64,929**	44,693
Unearned revenue		**1,063**	-
Total other non-financial liabilities		**65,992**	44,693
Other financial liabilities			
Accounts payable		**8,050**	4,561
Fair value of Sharia-compliant-risk-management instruments	26.2	**-**	20,242
Staff-related payables		**41,433**	31,097
Dividends and Unsubscribed right issue shareholders claim payables		**8,079**	10,669
Other payables and accrued expenses		**40,795**	37,967
Total other financial liabilities		**98,357**	104,536
Total other liabilities		**164,349**	149,229

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16. PARTICIPATORY INVESTMENT ACCOUNTS

a) By type

	31 December 2024	31 December 2023
Term accounts	**2,674,623**	2,809,694
Short-term Investment accounts	**23**	4,488
Profit payable to participatory investments account holders	**18,781**	12,913
	2,693,427	2,827,095

b) By sector

	31 December 2024	31 December 2023
Individual	**141,005**	94,439
Government	**2,769**	205,986
Corporate	**2,549,653**	2,526,670
	2,693,427	2,827,095

17. EQUITY

(a) Share Capital

	31 December 2024	31 December 2023
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 of QAR 1 each	**1,120,000**	1,120,000

(b) Legal reserve
In accordance with the Bank's Articles of Association, up to 10% of the net profit for the year may be transferred to other reserve each year until this reserve is equal to 50% of the paid-up share capital. The reserve is not available to distribution except in the circumstances stipulated in the Bank's Articles of Association. During the year, the Bank has transferred an amount of QAR 12.8 million to the legal reserve (2023: QAR 9.4 million).

(c) Proposed dividend
The Board of Directors in its meeting held on 26 January 2025 proposed a cash dividend of 5% (2023: Nil) of the share capital amounting to QAR 56 million (2023: Nil). This proposal is subject to the approval of the shareholders' annual general assembly.

18. FEE INCOME

	For the year ended	
	31 December 2024	31 December 2023
Management fees	**50,780**	39,461
Advisory fees	**6,395**	-
Placement & Structuring fees (including exit fees)	**3,519**	21,474
	60,694	60,935

19. OTHER INCOME

	For the year ended	
	31 December 2024	31 December 2023
Rental income from investments in real estate	**27,152**	17,891
Financing cost	**-**	(196)
Net rental income from investment in real estate	**27,152**	17,695
Miscellaneous income	**4,670**	6,316
	31,822	24,011

20. OTHER OPERATING EXPENSES

	For the year ended	
	31 December 2024	31 December 2023
Professional services	**16,383**	11,896
Rent expense	**5**	-
Other	**34,933**	9,161
	51,321	21,057

21. BASIC / DILUTED PROFIT PER SHARE

The calculation of basic earnings per share is based on the net profit attributable to the Banks' shareholders and the weighted average number of shares outstanding during the year.

	For the year ended	
	31 December 2024	31 December 2023
Basic and diluted profit per share		
Net profit attributable to the equity holders of the Bank from continuing operations	**128,165**	102,664
Net profit attributable to the equity holders of the Bank from discontinued operations	**-**	(8,276)
Net Profit attributable to the equity holders of the Bank	**128,165**	94,388
Total weighted average number of shares (thousand)	**1,120,000**	1,120,000
Basic and diluted profit per share from continuing operations - QAR	**0.114**	0.091
Basic and diluted profit per share from discontinued operations - QAR	**-**	(0.007)
Basic and diluted profit per share - QAR	**0.114**	0.084

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

Weighted average number of ordinary shares for the year	**1,120,000**	1,120,000

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22. CONTINGENT LIABILITIES

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

	31 December 2024	31 December 2023
Unutilised credit facilities	**1,145**	1
	1,145	1

Contingent liabilities related to Shari'a-compliant-risk-management instruments as disclosed in Note 26.2.

23. RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Related parties include the significant owners and entities over which the Group and the owners exercise significant influence, directors and senior management personnel of the Group, close family members, entities owned or controlled by them, associates and affiliated companies.

Balances and transactions in respect of related parties included in the consolidated financial statements are as follows:

	31 December 2024		
	Associates	**Other***	**Total**
a) Consolidated statement of financial position as at			
Other assets	**-**	**9,100**	**9,100**
Customers' balances	**-**	**30,719**	**30,719**
Liabilities held-for-sale	**13,723**	**-**	**13,723**
b) Consolidated income statement for the year ended			
Other operating expenses	**-**	**(1,607)**	**(1,607)**
c) Off balance sheet instruments as at			
Assets under management	**-**	**155,027**	**155,027**

	31 December 2023		
	Associates	Other*	Total
a) Consolidated statement of financial position as at			
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

	31 December 2023		
	Associates	Other*	Total
b) Consolidated income statement for the year ended			
Income from financing assets	1,127	-	1,127
Dividend income	2,330	-	2,330
Reversal for impairment of financing assets	(10,012)	-	(10,012)
Other operating expenses	-	(1,340)	(1,340)
c) Off balance sheet instruments as at			
Assets under management	-	93,173	93,173

During the year, the Bank acquired a real estate property in the State of Qatar (the "Qatar Real Estate Structure") for QAR 48 million from a related party through SPE structure. As of 31st December 2024, the Bank had sold a 100% stake in this Structure to its investors.

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

Key management compensation is presented below:

	For the year ended	
	31 December 2024	31 December 2023
Key management personnel compensation :		
Senior management personnel	**8,307**	12,217
Shari'a Supervisory Board remuneration	**500**	460
	8,807	12,677

Boards of Directors remuneration for the year ended 2024 is QAR 3.1 million (2023: QAR Nil).

24. ZAKAH

Zakah is directly borne by the equity holders. The Group does not collect or pay Zakah on behalf of its equity holders in accordance with the Articles of Association.

25. FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT

25.1 Financial instruments definition and classification

Financial instruments comprise all financial assets and liabilities of the Group. Financial assets include cash and bank balances, investments carried at amortised cost, financing assets, accounts receivable, investments at fair value and other financial assets. Financial liabilities include customers' balances, due to banks and other financial liabilities. Financial instruments also include contingent liabilities and commitments included in off financial position items.

Note 4 explains the accounting policies used to recognise and measure the significant financial instruments and their respective income and expenses items.

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25.2 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is determined for each investment individually in accordance with the valuation policies adopted by the Group as set out in 4.3.

25.3 Risk management

Lesha bank perceives strong risk management capabilities to be the foundation in delivering results to customers, investors and shareholders. Risk is an inherent part of the Group's business activities.

Our Board of Directors has overall responsibility for establishing our risk culture and ensuring that an effective risk management framework is in place.
The risk management framework of the Bank encapsulates the spirit of the following key principles for Risk Management as articulated by Basel III:

- Management oversight and control
- Risk culture and ownership
- Risk recognition and assessment
- Control activities and segregation of duties
- Information and communication
- Monitoring Risk Management activities and correcting deficiencies.

25.4 Risk framework and governance

The Group's risk management process is an integral part of the organization's culture and is embedded into all its practices and processes. The Board of Directors (the Board), and a number of Board's subcommittees including Executive Committee; and Audit, Risk and Compliance Committee; management committees; and executive management all contribute to the effective Group wide management of risk.

The Audit, Risk and Compliance Committee is tasked with implementing risk management policies, guidelines and limits as well as ensuring that monitoring processes are in place. The Risk Management Department provides independent monitoring to both the Board and the Audit, Risk and Compliance Committee whilst also working closely with the business units which ultimately own and manage the risks.

25.5 Investment risk

Investment risks are identified and assessed via extensive due diligence activities conducted by the respective investment departments. The Group's investments in venture capital are by definition in illiquid markets, frequently in emerging markets. Such investments cannot generally be hedged or liquidated easily. Consequently, the Group seeks to mitigate its risks via more direct means. Post-acquisition risk management for private equity investments is rigorously exercised, mainly via Board representation within the investee company, during the life of the private equity transaction. Periodic reviews of all investments are undertaken and presented to the Investment Committee for review. Concerns over risks and performance are addressed via the investment area responsible for managing the investment under the oversight of the Investment Committee.

25.6 Credit risk

Credit risk is the risk that the Group will incur a loss of principal or profit earned because its customers, clients or counterparties fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, related parties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

The table below shows the maximum exposure to credit risk for the relevant components of the financial position.

	Notes	31 December 2024	31 December 2023
Balances with banks	6	**63,734**	254,074
Placements with financial institutions	6	**3,026,096**	2,708,828
Investments in Sukuk	8	**2,016,292**	1,662,612
Investment in funds	8	**279,180**	273,410
Financing assets	7	**175,378**	88,387
Financial assets of disposal group classified as held-for-sale	12.1.3	**-**	21,652
Other financial assets	13	**118,064**	141,861
		5,678,744	5,150,824

The weightings assigned to each macro-economic scenario at the Bank level are based on the Credit cycle indices (CCI), and as of 31 December 2024 were 65% to the Base Case, 30% to Downside and 5% to the Upside Case (as of 31 December 2023: 65% to the Base Case, 30% 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.

25.6.1 Concentration of risks

As an active participant in the banking markets, the Group has a significant concentration of credit risk with other financial institutions. As at 31 December 2024, the Group had balances with ten counterparty banks (31 December 2023: 9 banks) with aggregated amounts above QAR 100 million. The total aggregate amount of these deposits was QAR 3,011 million (2023: QAR 2,583 million).

The analysis by geographical region of the Group's financial assets having credit risk is as follows:

	31 December 2024	31 December 2023
Qatar	**3,258,235**	2,764,781
Asia and Middle East	**1,912,198**	1,555,172
North America	**54,351**	85,063
Europe and others	**453,960**	745,808
	5,678,744	5,150,824

The distribution of financial assets having credit risk by industry sector is as follows:

	31 December 2024	31 December 2023
Banking and financial services	**4,167,102**	3,935,086
Sovereign	**490,991**	457,907
Real Estate	**292,053**	240,521
Consumer Services	**266,323**	233,663
Oil & Gas	**144,891**	85,180
Aerospace & Defense	**132,707**	73,303
Utilities	**86,764**	46,264
Construction	**5,279**	7,378
Others	**92,634**	71,522
	5,678,744	5,150,824

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25.6.2 Credit Quality

The credit quality of financial assets is managed by Group using internal and external credit risk ratings. The Group follows an internal rating mechanism for grading relationship across its credit portfolio.

The Group utilises a scale ranging from 1 to 10 for credit relationship with 1 to 7 denoting performing grades, 8, 9 and 10 denoting non-performing. All credits are assigned a rating in accordance with defined criteria.

The Group endeavors continuously to improve upon internal credit risk rating methodologies and credit risk management policies and practices to reflect the true underlying credit risk of the portfolio and the credit culture in the Group. All financing relationships are reviewed at least once in a year and more frequently in case of non-performing assets.

The following table provides the details for the credit quality:

	31 December 2024				31 December 2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Cash and bank balances								
Performing (AAA to B-)	**3,090,151**	**-**	**3,640**	**3,093,791**	2,963,668	-	3,640	2,967,308
Allowance for impairment	**(291)**	**-**	**(3,640)**	**(3,931)**	(731)	-	(3,640)	(4,371)
Net carrying amount	**5,150,824**	**-**	**-**	**3,089,860**	2,962,937	-	-	2,962,937
Investments carried at amortised cost								
Performing (AAA to CCC)	**42,821**	**-**	**-**	**42,821**	101,954	-	-	101,954
Allowance for impairment	**(1,094)**	**-**	**-**	**(1,094)**	(1,288)	-	-	(1,288)
Net carrying amount	**41,727**	**-**	**-**	**41,727**	100,666	-	-	100,666
Investments carried at fair value								
Performing (AAA to BBB)	**1,982,625**	**-**	**-**	**1,982,625**	1,571,507	-	-	1,571,507
Allowance for impairment	**(8,060)**	**-**	**-**	**(8,060)**	(9,561)	-	-	(9,561)
Net carrying amount	**1,974,565**	**-**	**-**	**1,974,565**	1,561,946	-	-	1,561,946
Financing assets								
Performing (Grades 1-6)	**144,759**	**-**	**-**	**144,759**	38,001	-	-	38,001
Under-performing (Grade 7)	**-**	**65,211**	**-**	**65,211**	-	87,685	-	87,685
Non-performing (Grade 8-10)	**-**	**-**	**312,447**	**312,447**	-	-	301,512	301,512
	144,759	**65,211**	**312,447**	**522,417**	38,001	87,685	301,512	427,198
Allowance for impairment	**(796)**	**(39,075)**	**(307,168)**	**(347,039)**	(6,414)	(30,885)	(301,512)	(338,811)
Net carrying amount	**143,963**	**26,136**	**5,279**	**175,378**	31,578	56,800	-	88,387
Financing commitments and financial guarantee								
Performing (Grades 1-6)	**1,145**	-	-	**1,145**	1	-	-	1
	1,145	**-**	**-**	**1,145**	1	-	-	1
Allowance for impairment	-	-	-	-	-	-	-	-

Collateral

The Group obtains collateral and other credit enhancements in ordinary course of business from counterparties. On an overall basis, during the year there was no discernable deterioration in the quality of collateral held by the Group. In addition, there were no changes in collateral policies of the Group.

The fair value of the collateral held against credit-impaired financing assets as at 31 December 2024 is QAR 27.2 million (2023: QAR 27.2 million).

Renegotiated financing assets

Restructuring activities include extended payment arrangements, approved external management plans, and modification and deferral of payments. Restructuring policies and practices are based on indicators or criteria that, in the judgment of management, indicate that payment will most likely continue. These policies are kept under continuous review. Renegotiated financing assets as at 31 December 2024 amounted to QAR 32 million (2023: QAR 75.8 million).

25.6.3 Repossessed collateral

Repossessed properties are sold as soon as practicable, with the proceeds used to reduce the outstanding indebtedness. There were no repossessed properties as at 31 December 2024 and 31 December 2023.

25.6.4 Write-off policy

The Group writes off a financing asset or an investment in debt-type security balance, and any related allowances for impairment losses, when Group determines that the financing asset or security is uncollectible.

This determination is made after considering information such as the occurrence of significant changes in the financed counterparty's / issuer's financial position such that the financed counterparty/ issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. For smaller balance standardised financing assets, write-off decisions generally are based on a product-specific past due status.

25.6.5 Inputs, assumptions and techniques used for estimating impairment

Significant increase in credit risk (SICR)

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis including internal credit risk grading system, external risk ratings, where available, delinquency status of accounts, credit judgement and, where possible, relevant historical experience. The Group may also determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

In determining whether credit risk has increased significantly since initial recognition following criteria are considered:

- Two notches downgrade for rating from 1 to 4 or one notch downgrade for ratings from 5 and 6
- Facilities rescheduled during previous twelve months
- Facilities overdue by more than 30 days as at the reporting date, unless rebutted based on other qualitative supportable information
- Any other reason as per management discretion that evidence a significant increase in credit risk

Credit risk grades

Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of financed counterparty. Exposures are subject to on-going monitoring, which may result in an exposure being moved to a different credit risk grade.

Generating the term structure of Probability of Default (PD)

The Group employs statistical models to analyse the data collected and generate estimates of PD of exposures and how these are expected to change as a result of the passage of time. This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors, across various geographies in which the Group has exposures.

Renegotiated financial assets

The contractual terms of a financing may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing financing whose terms have been modified may be derecognised and the renegotiated financing recognised as a new financing at fair value. Where possible, the Group seeks to restructure financing rather than to take possession of collateral, if available. This may involve extending the payment arrangements and documenting the agreement of new financing conditions. Management continuously reviews renegotiated financing to ensure that all criteria are met and that future payments are likely to occur.

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The accounts which are restructured due to credit reasons in past 12 months will be classified under Stage 2.

Definition of default

The Group considers a financial asset to be in default when:

- the financed counterparty is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financed counterparty is past due more than 90 days on any material credit obligation to the Group, unless rebutted based on other qualitative supportable information.
- rated internally as 8, 9 or 10 corresponding to the Qatar Financial Centre Regulatory Authority (QFCRA) categories of substandard, doubtful and loss, respectively.

In assessing whether a financed counterparty is in default, the Group considers indicators that are:

- quantitative - e.g. overdue status and non-payment on another obligation of the same issuer to the Group; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances. The definition of default largely aligns with that applied by the Group for regulatory capital purposes.

Incorporation of forward-looking information

Incorporating forward-looking information increases the level of judgement as to how changes in these macroeconomic factors will affect the Expected Credit Loss (ECL) applicable to the stage 1 and stage 2 exposures which are considered as performing. The methodologies and assumptions involved, including any forecasts of future economic conditions, are reviewed periodically.

Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Group has performed historical analysis and identified the key economic variables affecting credit risk and expected credit losses for each portfolio.
These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgment has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are updated from the World economic outlook: IMF country data and other reliable sources which provide the best estimate view of the economy over the next five years.

Economic variable assumptions

The most significant period-end assumption used for the ECL estimate as at 31 December 2024 was GDP (2024: 1.9%, 2025: 5.8%).

Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD);
- exposure at default (EAD).

PD estimates are estimates at a certain date, which are calculated based on statistical rating models These statistical models are based on internally compiled data comprising both quantitative and qualitative factors and are supplemented by external PD data where available.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the forecasted collateral value and the Group assumes that haircut percentage applied to Collateral value as per QFCRA.

LGD estimation includes:

- Recovery Rate: Defined as the ratio of liquidation value to market value of the underlying collateral at the time of default. It would also account for expected recovery rate from a general claim on the individual's assets for the unsecured portion of the exposure.
- Discounting Rate: Defined as the opportunity cost of the recovery value not being realized on the day of default adjusted for time value.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount.

For lending commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts.

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.

	31 December 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	**(440)**	**-**	**-**	**(440)**	704	-	-	704
Write-off of provision	**-**	**-**	**-**	**-**	-	-	(54)	(54)
Balance at the end of the year	**291**	**-**	**3,640**	**3,931**	731	-	3,640	4,371
Investments carried at amortised cost								
Balance at 1 January	**1,288**	**-**	**-**	**1,288**	869	-	-	869
Impairment allowance, net	**(194)**	**-**	**-**	**(194)**	419	-	-	419
Balance at end of the year	**1,094**	**-**	**-**	**1,094**	1,288	-	-	1,288
Investments carried at fair value								
Balance at 1 January	**9,561**	**-**	**-**	**9,561**	7,687	-	-	7,687
Impairment allowance, net	**(1,501)**	**-**	**-**	**(1,501)**	1,874	-	-	1,874
Balance at end of the year	**8,060**	**-**	**-**	**8,060**	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)	**-**	**(25)**	**-**	**(25)**	-	608	-	608
Impairment allowance, net	**(5,618)**	**8,215**	**5,656**	**8,253**	5,014	(4,724)	1,550	1,840
Balance at end of the year	**796**	**39,075**	**307,168**	**347,039**	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 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 year	**-**	**-**	**-**	**-**	-	-	-	-

25.7 Liquidity risk and funding management

Liquidity risk is defined as the risk that the Group will not have sufficient funds available to meet its financial liabilities as they fall due. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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The Treasury department collects information regarding the liquidity profile of the Bank's financial assets and liabilities and details of other projected cash flows arising from projected future business. The Treasury Department then maintains a portfolio of short-term liquid assets to ensure that sufficient liquidity is maintained within the Bank as a whole.

All liquidity policies and procedures are subject to review and approval by Assets-Liabilities Management Committee (ALCO) which also regularly receives reports relating to the Bank's liquidity position.

Below table summarises undiscounted cash outflows of financial liabilities:

	31 December 2024	31 December 2023
On demand	**189,210**	129,904
Less than 3 months	**1,768,543**	1,760,806
3 to 6 months	**193,642**	58,260
6 to 12 months	**2,070,408**	5,176
1 to 5 years	**1,405,641**	3,269,183
Total	**5,627,444**	5,223,329

The table below shows an analysis of financial assets and liabilities according to when they are expected to be recovered or settled.

	On demand	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Total
At 31 December 2024						
Financial assets						
Cash and cash equivalents	**63,763**	**1,884,421**	**1,104,420**	**37,256**	**-**	**3,089,860**
Investments in Sukuk	**-**	**223,647**	**28,389**	**117,817**	**1,646,439**	**2,016,292**
Financing assets	**-**	**3,993**	**26,239**	**6,456**	**138,690**	**175,378**
Investment in fund	**-**	**-**	**-**	**-**	**279,180**	**279,180**
Equity investments	**-**	**-**	**-**	**-**	**759,305**	**759,305**
Other financial assets	**118,064**	**-**	**-**	**-**	**-**	**118,064**
Total financial assets	**181,827**	**2,112,061**	**1,159,048**	**161,529**	**2,823,614**	**6,438,079**
Financial liabilities and participatory investment account holders						
Financing liabilities	**-**	**1,076,331**	**116,939**	**-**	**1,246,695**	**2,439,965**
Customers' balances	**186,904**	**-**	**-**	**-**	**-**	**186,904**
Other financial liabilities	**-**	**-**	**-**	**-**	**98,357**	**98,357**
Participatory investments account holders	**2,229**	**607,023**	**68,994**	**2,015,181**	**-**	**2,693,427**
Financial liabiliites held-for-sale	**-**	**13,723**	**-**	**-**	**-**	**13,723**
Total financial liabilities and participatory investment account holders	**189,133**	**1,697,077**	**185,933**	**2,015,181**	**1,345,052**	**5,432,376**
Net liquidity gap	**(7,306)**	**414,984**	**973,115**	**(1,853,652)**	**1,478,562**	**1,005,703**
Net cumulative gap	**(7,306)**	**407,678**	**1,380,793**	**(472,859)**	**1,005,703**	
Contingent liabilities*	**-**	**-**	**1,145**	**-**	**-**	**1,145**

*Contingent liabilities related to Shari'a-compliant-risk-management instruments as disclosed in Note 26.

	On demand	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Total
At 31 December 2023						
Financial assets						
Cash and cash equivalents	254,110	1,634,717	486,068	513,650	74,392	2,962,937
Investments in Sukuk	-	153,836	201,206	199,368	1,108,202	1,662,612
Financing assets	5,977	5,984	39,092	23,437	13,897	88,387
Investment in fund	-	273,410	-	-	-	273,410
Equity investments	-	-	-	-	504,363	504,363
Financial assets held-for-sale	21,047	605	-	-	-	21,652
Other financial assets	141,861	-	-	-	-	141,861
Total financial assets	422,995	2,068,552	726,366	736,455	1,700,854	5,655,222
Financial liabilities and participatory investment account holders						
Financing liabilities	-	732,309	-	-	1,130,307	1,862,616
Customers' balances	129,904	-	-	-	-	129,904
Other financial liabilities	-	-	-	-	104,536	104,536
Participatory investments account holders	-	936,787	56,728	13,580	1,820,000	2,827,095
Financial liabiliites held-for-sale	-	27,316	-	-	84,904	112,220
Total financial liabilities and participatory investment account holders	129,904	1,696,412	56,728	13,580	3,139,747	5,036,371
Net liquidity gap	293,091	372,140	669,638	722,875	(1,438,893)	618,851
Net cumulative gap	293,091	665,231	1,334,869	2,057,744	618,851	
Contingent liabilities*	-	-	1	-	-	1

*Contingent liabilities related to Shari'a-compliant-risk-management instruments as disclosed in Note 26.

25.8 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to adverse changes in market variables such as profit rates, foreign exchange rates, equity prices and commodities. The Group classifies exposures to market risk into either listed or non- listed corporate investments.

25.8.1 Profit rate risk

Profit rate risk arises from the possibility that changes in profit rates will affect future cash flows or the fair values of the financial instruments. The Group's current exposure to profit rate risk is limited to the following:

- The Group's placement with the financial institutions (classified as 'Placements with financial institutions');
- The Group's investment portfolio of Sukuk (classified as "Investments at amortised cost" and "Investments at fair value through equity");
- The Group's investments in Murabaha (classified as "Financing assets"); and
- Financing received by the Group from financial institutions (classified as "Financing liabilities").

The following table demonstrates the sensitivity to a 100 basis point (bp) change in profit rates, with all other variables held constant. The effect of decreases in profit rate is expected to be equal and opposite to the effect of the increases shown.

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	31 December 2024	**Change in basis points (+/-)**	**Effect on net profit/ loss (+/-)**
Assets			
Placements with financial institutions	**3,026,345**	**100**	**30,263**
Investments in sukuk	**2,025,446**	**100**	**20,254**
Investment in funds carried at fair value	**279,180**	**100**	**2,792**
Financing assets	**175,378**	**100**	**1,754**
Liabilities and Equity of unrestricted investment account holders			
Financing liabilities	**2,439,965**	**100**	**(24,400)**
Financial liabilities of disposal group classified as held-for-sale	**-**	**100**	**-**
Participatory investment accounts	**2,693,427**	**100**	**(26,934)**

	31 December 2023	Change in basis points (+/-)	Effect on net profit/ loss (+/-)
Assets			
Placements with financial institutions	2,705,186	100	27,052
Investments in sukuk	1,662,612	100	16,626
Investment in funds carried at fair value	273,410	100	2,734
Financing assets	88,387	100	884
Liabilities and Equity of unrestricted investment account holders			
Financing liabilities	1,862,616	100	(18,626)
Financial liabilities of disposal group classified as held-for-sale	84,904	100	(849)
Participatory investment accounts	2,827,095	100	(28,271)

25.8.2 Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to adverse changes in foreign exchange rates. The Board has set limits on positions by currency. Positions are monitored regularly to ensure that positions are maintained within established limits.

The table below indicates the currencies that are pegged to the Qatari Riyal and, hence the foreign exchange risk for the Group in respect of these currencies is minimal.

	Exposure (QAR equivalent)	
	31 December 2024	31 December 2023
Currency		
USD	**1,862,631**	1,583,903
USD pegged currencies	**12,267**	1,651

The table below shows the impact of a 5% movement in the currency rate, for other than those pegged to the Qatari Riyal, against the Qatari Riyal, with all other variables held constant on the consolidated income statement and the consolidated statement of changes in Owners' equity. The effect of decreases in the currency rates is expected to be equal and opposite to the effect of the increases shown.

	Exposure (QAR equivalent)		**Effect on net profit (+/-)**	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 202
Currency				
GBP	**(17,301)**	3,968	**(865)**	198
EUR	**1,618**	(1,743)	**81**	(87)
KWD	**32**	32	**2**	2

25.8.3 Commodities price risk

The Group does not currently have commodities portfolios; hence it has no exposure to commodity price risks.

25.9 Operational risk

Operational risk is the risk of loss arising from systems and control failures, fraud and human errors, which can result in financial and reputation loss, and legal and regulatory consequences. The Group manages operational risk through appropriate controls, instituting segregation of duties and internal checks and balances, including internal audit and compliance. The Risk Management Department facilitates the management of operational risk by way of assisting in the identification of, monitoring and managing of operational risk in the Bank.

25.10 Concentration risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location or individual obligor.

25.11 Capital management

The primary objectives of the Group's capital management are to ensure that the Group complies with regulatory capital requirements and that the Group maintains healthy capital ratios in order to support its business and to maximise Owners' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to Owners, return capital to Owners or issue new capital. The QFCRA sets and monitors capital requirements for the Group as a whole.
In implementing current capital requirements, the QFCRA requires the Group to maintain a minimum capital adequacy ratio as prescribed by the Islamic Banking Business Prudential Rules of 2015.

The Group's capital resources are divided into two tiers:

- Tier 1 capital, which includes ordinary share capital, share premium, retained earnings and non-controlling interest after deductions for goodwill and intangible assets, and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.
- Tier 2 capital, which includes the fair value reserve relating to unrealised gains on equity instruments classified as investments at fair value through equity and currency translation reserve.

Other deductions from capital include the carrying amounts of investments in subsidiaries that are not included in the regulatory consolidation, investments in the capital of banks and certain other regulatory items. Risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-financial position exposures.

The Group's policy is at all times to meet or exceed the capital requirements determined by the QFCRA. There have been no material changes in the Group's management of capital during the year.

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The Group's capital adequacy ratio (the "CAR"), calculated in accordance with the capital adequacy guidelines issued by the QFCRA, is as follows:

	31 December 2024	31 December 2023
Total risk weighted assets	**7,403,235**	6,376,132
Share capital	**1,120,000**	1,120,000
Share premium	**80,003**	80,003
Other reserve	**22,256**	9,439
Retained earnings	**142,735**	30,206
Non-controlling interest	**(18,200)**	(9,402)
Intangible assets	**(17,619)**	(2,554)
Other adjustments	**(58,682)**	12,580
Total qualifying capital and reserve funds	**1,270,493**	1,240,272
Total capital resources expressed as a percentage of total risk weighted assets	**17.16%**	19.45%

The Bank is subject to a minimum regulatory CAR of 12.5% comprising of Tier 1 and Tier 2 Capital Ratio of 8%, capital conservation buffer of 2.5% and an ICAAP buffer of 2.0%.

26. SHARI'A-COMPLIANT-RISK-MANAGEMENT INSTRUMENTS

26.1 Profit rate swap

Swaps are commitments to exchange one set of cash flows for another. In the case of profit rate swaps, counterparties generally exchange fixed and floating profit payments in a single currency without exchanging principal.

26.2 Unilateral promise to buy/sell currencies

Unilateral promises to buy/sell currencies are promises to either buy or sell a specified currency at a specific price and date in the future. The actual transactions are executed on the promise execution dates, by exchanging the purchase/sale offers and acceptances between the relevant parties. The table below shows the positive and negative fair values of Shari'a-compliant-risk-management financial instruments together with the notional amounts analysed by the term to maturity. The notional amounts, which provide an indication of the volumes of the transactions outstanding at the year-end, do not necessarily reflect the amounts of future cash flows involved and the credit and market risk, which can be identified from the derivatives fair value.

At 31 December 2024	**Positive fair value**	**Negative fair value**	**Notional amount**	**Less than 3 months**	**3 to 12 months**
Unilateral promise to buy/ sell currencies	**9,124**	**-**	**1,235,425**	**1,195,450**	**39,975**
	9,124	**-**	**1,235,425**	**1,195,450**	**39,975**

At 31 December 2023	**Positive fair value**	**Negative fair value**	**Notional amount**	**Less than 3 months**	**3 to 12 months**
Unilateral promise to buy/ sell currencies	256	(20,242)	995,117	995,117	-
	256	(20,242)	995,117	995,117	-

Unrealised fair value gain/loss arising from Shari'a-compliant-risk management instruments were recognized in these consolidation financial statements as required by IFRS; however, as per requirement of Shari'a principles gains/losses are realised when actual transactions / settlements happen.

27. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group's financial instruments are accounted for under the historical cost method with the exception of investments at fair value. By contrast, the fair value represents the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. Differences therefore can arise between book values under the historical cost method and fair value estimates. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms. Generally accepted methods of determining fair value include reference to quoted prices and the use of valuation techniques such as discounted cash flow analysis.

Fair value hierarchy

Fair value measurements are analysed by level in the fair value hierarchy as follows:

i. level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities,
ii. level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and
iii. level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgment in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement.

	Level 1	**Level 2**	**Level 3**	**Level 4**
At 31 December 2024				
Investments carried at fair value				
- at fair value through equity	**2,026,473**	**-**	**79,973**	**2,106,446**
- at fair value through income statement	**-**	**-**	**627,424**	**627,424**
Investments in real estate carried at fair value	**-**	**-**	**270,024**	**270,024**
Investments in funds carried at fair value	**80,153**	**-**	**199,027**	**279,180**
Net gains and losses included in the consolidated statement of changes in equity	**(5,638)**	**-**	**(13,894)**	**(19,532)**
Net gains and losses included in the consolidated income statement	**4,587**	**-**	**(23,827)**	**(19,240)**
At 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
At 31 December 2023				
Net gains and losses included in the consolidated statement of changes in equity	26,593	-	(15,097)	11,496
Net gains and losses included in the consolidated income statement	1,556	-	20,918	22,474

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Shari'a-compliant-risk-management instruments related assets and liabilities, as disclosed in Note 26, belong to level 2 fair value hierarchy.

The fair values of financial assets and financial liabilities carried at amortised cost are equal to the carrying value, hence, not included in the fair value hierarchy table, except for investments carried at amortised cost for which the fair value amounts to QAR 43.3 million (31 December 2023: QAR 101.0 million) and is derived using Level 1 fair value hierarchy.

Valuation technique used in the fair value measurement at 31 December 2024 and 2023 for level 3 investments included Discounted Cash flow and Market approach. The below table summarises the inputs used discounted cash flow technique:

			Range of Inputs	
	Valuation technique	**Inputs Used**	**2024**	**2023**
Investments at fair value through income statement	Discounted cash flows	Growth rate	**3% to 4%**	1.5% to 3.5%
		Discount rate	**10.45% to 11.31%**	13.4% to 15.4%

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 31 December 2024**
Equity investments					
- at fair value through equity	**79,385**	**(4,511)**	**5,099**	**-**	**79,973**
- at fair value through income statement	**616,324**	**(27,625)**	**372,607**	**(134,855)**	**826,451**
	695,709	**(32,136)**	**377,706**	**(134,855)**	**906,424**

	At 1 January 2023	Total gain / (losses) recorded in consolidated income statement / equity	Additions	Disposals	At 31 December 2023
Equity investments					
- 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

Transfers between level 1, level 2 and level 3
There were no transfers between the levels during the year ended 31 December 2024 (2023: none).

28. SEGMENT INFORMATION

For management purposes, the Group has three broad reportable segments, as described below. The reportable segments offer different products and services and are managed separately based on the Group's management and internal reporting structure. For each of the reportable segments, the management reviews internal reports periodically. The following summary describes the operations in each of the Group's reportable segments:

Alternative Investments
The Group's alternative investments business segment includes direct investment in the venture capital business direct private equity. Alternative investments business is primarily responsible for acquiring large or significant stakes, with board representation, in well managed companies and assets that have strong, established market positions and the potential to develop and expand. The team works as partners with the management of investee companies to unlock value through enhancing operational and financial performance in order to maximize returns. This segment seeks investments opportunities in growth sectors within the GCC and MENA region, as well as United States, Europe and Southeast Asia but remains opportunistic to attractive investment propositions outside of the geographies identified.

Private Bank
The Group's private bank business segment includes private banking, corporate & institutional banking and treasury & investment management services. The Private banking department targets qualified High Net Worth clients with Shari'a compliant up-market products and services that address personal, business and wealth requirements. The services offered under the private banking department include advisory, deposit accounts, brokerage, funds and investments, treasury Forex products, plain vanilla & specialized financing and Elite services. The corporate & institutional banking department offers deposits accounts and plain vanilla & specialized financing solutions for corporates in Qatar, the GCC and the broader region for sectors and applications currently underserved by regional banks. The treasury department is offering short term liquid investments and FX products to banking clients, deploying the bank's liquidity as well as leading the product development and idea conceptualization function.

Other
This segment includes investment property from where the bank derives Ijarah rentals. Associated costs including financing cost for the investment property are also build up in this segment.

Information regarding the results, assets and liabilities of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the management.

Segment assets and liabilities
The Group does not monitor segments based on segment assets and liabilities and does not possess detailed information thereof. Consequently, disclosure of segment assets and liabilities are not presented in these consolidated financial statements.
Below is the information about operating segments:

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For the year ended 31 December 2024	Alternative Investments	Private Bank	Other	Total
INCOME				
Income from financing assets	**538**	**5,995**	**-**	**6,533**
Income from placements with financial institutions	**-**	**190,029**	**-**	**190,029**
Profit on Sukuk investments	**-**	**109,254**	**-**	**109,254**
Profit on the financing liabilities	**-**	**(123,481)**	**-**	**(123,481)**
Net income from financing assets	**538**	**181,797**	**-**	**182,335**
Fee income	**25,209**	**35,485**	**-**	**60,694**
Dividend income	**9,728**	**14,654**	**-**	**24,382**
Gain/ (loss) on re-measurement of investments at fair value through income statement	**257**	**(71)**	**-**	**186**
Fair value loss on re-measurement of investments in real estate	**-**	**(6,396)**	**-**	**(6,396)**
Gain on disposal of Sukuk investments	**-**	**569**	**-**	**569**
Gain on disposal of equity investments	**81,965**	**2,602**	**-**	**84,567**
Gain (loss) from disposal of real estate Investments	**-**	**912**	**-**	**912**
Net foreign exchange gain	**4,240**	**1,327**	**-**	**5,567**
Other income, net	**3,341**	**28,481**	**-**	**31,822**
TOTAL INCOME	**125,278**	**259,360**	**-**	**384,638**
EXPENSES				
Staff costs	**(2,899)**	**(72,654)**	**-**	**(75,553)**
Depreciation and amortization	**(1,431)**	**(5,723)**	**-**	**(7,154)**
Other operating expenses	**(9,664)**	**(41,657)**	**-**	**(51,321)**
TOTAL EXPENSES	**(13,994)**	**(120,034)**	**-**	**(134,028)**
(Provision for) / reversal of impairment on financing assets, net of recoveries	**5,840**	**(14,093)**	**-**	**(8,253)**
Reversal of impairment on other financial assets	**-**	**2,135**	**-**	**2,135**
Provision for impairment on investments	**-**	**(11,100)**	**-**	**(11,100)**
PROFIT BEFORE TAX AND ATTRIBUTION TO QUASI-EQUITY	**117,124**	**116,268**	**-**	**233,392**
Less: Net profit attributable to quasi-equity	**-**	**(114,025)**	**-**	**(114,025)**
PROFIT BEFORE INCOME TAX	**117,124**	**2,243**	**-**	**119,367**
Income tax expense	**-**	**-**	**-**	**-**
NET PROFIT FOR THE YEAR	**117,124**	**2,243**	**-**	**119,367**

For the year ended 31 December 2023	Alternative Investments	Private Bank	Other	Total
INCOME				
Income from financing assets	1,125	10,297	-	11,422
Income from placements with financial institutions	-	133,012	-	133,012
Profit on Sukuk investments	-	72,597	-	72,597
Profit on the financing liabilities	-	(55,694)	-	(55,694)
Net income from financing assets	1,125	160,212	-	161,337
Fee income	25,088	35,847	-	60,935
Dividend income	4,110	16,713	-	20,823
Loss on re-measurement of investments at fair value through income statement	(3,047)	8,916	-	5,869
Loss on disposal of sukuk investments	7,387	-	-	7,387
Net foreign exchange gain / (loss)	4,213	3,455	-	7,668
Other income	1,004	5,312	17,695	24,011
TOTAL INCOME	39,880	230,455	17,695	288,030
EXPENSES				
Staff costs	(2,320)	(63,756)	-	(66,076)
Depreciation and amortization	(1,226)	(4,290)	(613)	(6,129)
Other operating expenses	(4,211)	(15,793)	(1,053)	(21,057)
TOTAL EXPENSES	(7,757)	(83,839)	(1,666)	(93,262)
Reversal of impairment on financing assets, net of recoveries	9,711	(11,551)	-	(1,840)
Reversal of impairment on other financial assets	-	2,706	-	2,706
PROFIT BEFORE TAX AND ATTRIBUTION TO QUASI-EQUITY	41,834	137,771	16,029	195,634
Less: Net profit attributable to quasi-equity	-	(92,970)	-	(92,970)
PROFIT BEFORE INCOME TAX	41,834	44,801	16,029	102,664
Income tax expense	-	-	-	-
NET PROFIT FROM CONTINUING OPERATIONS	41,834	44,801	16,029	102,664
DISCONTINUED OPERATIONS				
Profit from discontinued operations, net of tax	4,112	(10,285)	-	(6,173)
NET PROFIT FOR THE YEAR	45,946	34,516	16,029	96,491

Geographical segment information

The Group currently monitors its operations in two geographic markets namely Qatar and other countries. The following tables show the distribution of the Group's net income by geographical segments, based on the location in which the transactions are recorded during the year.

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For the year ended 31 December 2024	Qatar	Others	Total
INCOME			
Income from financing assets	5,292	1,241	6,533
Income from placements with financial institutions	190,029	-	190,029
Profit on Sukuk investments	4,324	104,930	109,254
Profit on the financing liabilities	(96,723)	(26,758)	(123,481)
Net income from financing assets	102,922	79,413	182,335
Fee income	58,201	2,493	60,694
Dividend income	5,468	18,914	24,382
Gain/ (loss) on re-measurement of investments at fair value through income statement	1,302	(1,116)	186
Fair value loss on re-measurement of investments in real estate	-	(6,396)	(6,396)
Gain on disposal of Sukuk investments	569	-	569
Gain on disposal of equity investments	29,145	55,422	84,567
Gain (loss) from disposal of real estate Investments	13,933	(13,021)	912
Net foreign exchange gain	5,567	-	5,567
Other income, net	31,822	-	31,822
TOTAL INCOME	248,929	135,709	384,638
EXPENSES			
Staff costs	(75,553)	-	(75,553)
Depreciation and amortization	(7,154)	-	(7,154)
Other operating expenses	(51,321)	-	(51,321)
TOTAL EXPENSES	(134,028)	-	(134,028)
(Provision for) / reversal of impairment on financing assets, net of recoveries	(14,093)	5,840	(8,253)
Reversal of impairment on other financial assets	2,135	-	2,135
Provision for impairment on investments	(11,100)	-	(11,100)
PROFIT BEFORE TAX AND ATTRIBUTION TO QUASI-EQUITY	91,843	141,549	233,392
Less: Net profit attributable to quasi-equity	(114,025)	-	(114,025)
PROFIT BEFORE INCOME TAX	(22,182)	141,549	119,367
Income tax expense	-	-	-
NET PROFIT FOR THE YEAR	(22,182)	141,549	119,367

For the year ended 31 December 2023	Qatar	Others	Total
INCOME			
Income from financing assets	10,297	1,125	11,422
Income from placements with financial institutions	133,012	-	133,012
Profit on Sukuk investments	2,799	69,798	72,597
Profit on the financing liabilities	(55,694)	-	(55,694)
Net income from financing assets	90,414	70,923	161,337
Fee income	47,407	13,528	60,935
Dividend income	4,367	16,456	20,823
Gain on re-measurement of investments at fair value through income statement	1,029	4,840	5,869
Gain on disposal of equity investments	7,387	-	7,387
Net foreign exchange gain	7,668	-	7,668
Other income, net	24,011	-	24,011
TOTAL INCOME	182,283	105,747	288,030
EXPENSES			
Staff costs	(66,076)	-	(66,076)
Depreciation and amortization	(6,129)	-	(6,129)
Other operating expenses	(21,057)	-	(21,057)
TOTAL EXPENSES	(93,262)	-	(93,262)
(Provision for) / reversal of impairment on financing assets, net of recoveries	(11,551)	9,711	(1,840)
Reversal of impairment on other financial assets	2,706	-	2,706
PROFIT BEFORE T AX AND ATTRIBUTION TO QUASI-EQUITY	80,176	115,458	195,634
Less: Net profit attributable to quasi-equity	(92,970)	-	(92,970)
PROFIT BEFORE INCOME TAX	(12,794)	115,458	102,664
Income tax expense	-	-	-
NET INCOME FROM CONTINUING OPERATIONS	(12,794)	115,458	102,664
DISCONTINUED OPERATIONS			
Profit from discontinued operations, net of tax	4,112	(10,285)	(6,173)
NET PROFIT FOR THE YEAR	(8,682)	105,173	96,491

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www.leshabank.com

4th Floor, Tornado Tower, West Bay, Doha, Qatar | PO Box 28028
T +974 4448 3333 | F +974 4448 3560 | information@leshabank.com