CONSOLIDATED FINANCIAL STATEMENTS

LESHA BANK L.L.C (Public)

31 December 2024

CONTENTS

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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, consolidated statement of cash flows and consolidated statement of changes in off-balance sheet assets under management 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 period. 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.

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

Report on the audit of the consolidated financial statements (continued)

Key audit matters (continued)

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 policies • Note 5 – Use of estimates and judgements • Note 25.6.5 – 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 loans and advances (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.

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

Report on the audit of the consolidated financial statements (continued)

Key audit matters (continued)

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.

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

Report on the audit of the consolidated financial statements (continued)

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.

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

Report on the audit of the consolidated financial statements (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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

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Doha, State of Qatar
Date: 26 January 2025

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 earnings		**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

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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 L.L.C (PUBLIC)

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2024 (expressed in QAR'000)

LESHA BANK

	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 assets		**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

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

For the year ended 31 December 2024 (expressed in QAR'000)

	For the year ended	
	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 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

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For the year ended 31 December 2024 (expressed in QAR'000)

	For the year ended	
	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

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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	-	(9,439)	-	-	-
Fair value adjustments	-	-	-	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.

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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		**6,396**	-
Provision for impairment on financing assets, net	*25*	**8,253**	1,840
Reversal for impairment on other financial assets	*25*	**(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

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

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

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The attached notes are an integral part of these 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:

		Effective ownership as at			
Subsidiaries	**Activity**	**31 December 2024**	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. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

3.1 New standards, interpretations and amendments issued and effective

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

AAOIFI has issued revised FAS 1 in 2021. The revised FAS 1 supersedes the earlier FAS 1 General Presentation and Disclosures in the Financial Statements of Islamic Banks and Financial Institutions and introduces the concepts of quasi-equity, off-balance-sheet assets under management and other comprehensive income to enhance the information provided to the users of the financial statements.

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

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

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

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

AAOIFI has issued FAS 40 in 2021. The objective of this revised standard is to establish financial reporting requirements for Islamic finance windows and applicable to all conventional financial institutions providing Islamic financial services through an Islamic finance window. This standard improves upon and supersedes FAS 18 "Islamic Financial Services Offered by Conventional Financial Institutions". The standard does not have any impact on these consolidated financial statements as it is applicable to Islamic finance windows.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

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

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

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

3.2.2 *FAS 47 - Transfer of Assets Between Investment Pools*

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

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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.1 Basis for consolidation (Continued)

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.

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.3 Investment securities (Continued)

(i) Categorization and classification (continued)

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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.3 Investment securities (Continued)

(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 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.3 Investment securities (Continued)

(iii) Measurement (Continued)

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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.4 Financial assets and liabilities (continued)

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.8 Impairment (continued)

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

4.24 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.

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.

As at and for the year ended 31 December 2024 (expressed in QAR'000)

5. USE OF ESTIMATES AND JUDGEMENTS (Continued)

(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

	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
Cash and cash equivalents		**1,952,050**	1,892,842

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

As at and for the year ended 31 December 2024 (expressed in QAR'000)

7. FINANCING ASSETS

	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

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 (quoted)	(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).

As at and for the year ended 31 December 2024 (expressed in QAR'000)

8. INVESTMENTS SECURITIES (Continued)

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**	**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).

As at and for the year ended 31 December 2024 (expressed in QAR'000)

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**
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

As at and for the year ended 31 December 2024 (expressed in QAR'000)

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**	112,220

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).

As at and for the year ended 31 December 2024 (expressed in QAR'000)

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

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

As at and for the year ended 31 December 2024 (expressed in QAR'000)

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

As at and for the year ended 31 December 2024 (expressed in QAR'000)

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

As at and for the year ended 31 December 2024 (expressed in QAR'000)

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
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			
Asset 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.

As at and for the year ended 31 December 2024 (expressed in QAR'000)

23. RELATED PARTIES (Continued)

** 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.

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.

As at and for the year ended 31 December 2024 (expressed in QAR'000)

25. FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT (Continued)

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.

As at and for the year ended 31 December 2024 (expressed in QAR'000)

25. FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT (Continued)

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

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.

As at and for the year ended 31 December 2024 (expressed in QAR'000)

25. FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT (Continued)

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	**3,089,860**	-	-	**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**	31,587	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	-	-	-	-	-	-	-	-

25. FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT (Continued)

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.

25. FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT (Continued)

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.

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.

25. FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT (Continued)

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).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

25. FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT (Continued)

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.

As at and for the year ended 31 December 2024 (expressed in QAR'000)

25. FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT (Continued)

	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 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	**-**	**-**	**-**	**-**	-	-	-	-

As at and for the year ended 31 December 2024 (expressed in QAR'000)

25. FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT (Continued)

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.

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

As at and for the year ended 31 December 2024 (expressed in QAR'000)

25. FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT (Continued)

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.

As at and for the year ended 31 December 2024 (expressed in QAR'000)

25. FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT (Continued)

At 31 December 2023	On demand	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Total
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 liabilites of disposal groups classified as 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.

As at and for the year ended 31 December 2024 (expressed in QAR'000)

25. FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT (Continued)

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.

	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)

As at and for the year ended 31 December 2024 (expressed in QAR'000)

25. FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT (Continued)

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	31 December
Currency	**2024**	2023
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	31 December	**31 December**	31 December
Currency	**2024**	2023	**2024**	2023
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.

As at and for the year ended 31 December 2024 (expressed in QAR'000)

25. FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT (Continued)

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.

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%.

As at and for the year ended 31 December 2024 (expressed in QAR'000)

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.

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**

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.

As at and for the year ended 31 December 2024 (expressed in QAR'000)

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	Total
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)**
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
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

As at and for the year ended 31 December 2024 (expressed in QAR'000)

27. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

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:

	Valuation technique	**Inputs used**	**Range of inputs 2024**	**Range of inputs 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.

As at and for the year ended 31 December 2024 (expressed in QAR'000)

28. SEGMENT INFORMATION (Continued)

Below is the information about operating segments:

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

As at and for the year ended 31 December 2024 (expressed in QAR'000)

28. SEGMENT INFORMATION (Continued)

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

As at and for the year ended 31 December 2024 (expressed in QAR'000)

28. SEGMENT INFORMATION (Continued)

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.

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 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)
Loss 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 amortisation	(7,154)	-	(7,154)
Other operating expenses	(51,321)	-	(51,321)
TOTAL EXPENSES	(134,028)	-	(134,028)
(Provision for) / reversal of impairment on	(14,093)	5,840	(8,253)
Reversal of impairment on other financial assets	2,135	-	2,135
Other provisions	(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

As at and for the year ended 31 December 2024 (expressed in QAR'000)

28. SEGMENT INFORMATION (Continued)

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 TAX 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