

LESHA BANK LLC (Public)

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

31 March 2025

CONTENTS

INDEPENDENT AUDITOR'S REVIEW REPORT	1
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS:	
Interim consolidated statement of financial position.....	2
Interim consolidated statements of income	3
Interim consolidated statement of comprehensive income	4
Interim consolidated statement of income and attribution related to quasi-equity	5
Interim consolidated statement of changes in equity	6
Interim consolidated statement of cash flows	7
Interim consolidated statement of changes in off-balance sheet assets under management	8
Notes to the interim condensed consolidated financial statements:	
1. REPORTING ENTITY	9
2. BASIS OF PREPARATION	10
3. SIGNIFICANT ACCOUNTING POLICIES	11
4. CASH AND BANK BALANCES	14
5. FINANCING ASSETS.....	14
6. INVESTMENTS SECURITIES	15
7. ASSETS AND LIABILITIES HELD-FOR-SALE	15
8. SHARE CAPITAL.....	16
9. BASIC AND DILUTED PROFIT PER SHARE	17
10. CONTINGENT LIABILITIES.....	17
11. RELATED PARTIES TRANSACTIONS AND BALANCES.....	18
12. FINANCIAL RISK MANAGEMENT	19
13. FAIR VALUE OF FINANCIAL INSTRUMENTS	21
14. SEGMENT INFORMATION	22



KPMG L.L.C.
(QFC No 00051)
Zone 25 C Ring Road
Street 230, Building 246
P.O Box 4473, Doha
State of Qatar
Telephone: +974 4457 6444
Fax: +974 4436 7411
Website: kpmg.com/qa

Independent auditor's report on review of interim condensed consolidated financial statements

To the Board of Directors of Lesha Bank L.L.C. (Public)

Introduction

We have reviewed the accompanying 31 March 2025 interim condensed consolidated financial statements of Lesha Bank L.L.C. (Public) (the "Bank") and its subsidiaries (together the "Group"), which comprise:

- the interim consolidated statement of financial position as at 31 March 2025;
- the interim consolidated statement of income for the three-month period ended 31 March 2025;
- the interim consolidated statement of comprehensive income for the three-month period ended 31 March 2025;
- the interim consolidated statement of income and attribution related to quasi-equity for the three-month period ended 31 March 2025;
- the interim consolidated statement of changes in equity for the three-month period ended 31 March 2025;
- the interim consolidated statement of cash flows for the three-month period ended 31 March 2025
- the interim consolidated statement of changes in off-balance sheet assets under management for the three-month period ended 31 March 2025;
- and notes to the interim condensed consolidated financial statements.

The Board of Directors of the Bank is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with FAS 41, 'Interim Financial Reporting' as modified by Qatar Financial Centre Regulatory Authority ("QFCRA"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2025 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with FAS 41, 'Interim Financial Reporting' as modified by Qatar Financial Centre Regulatory Authority ("QFCRA").

Other Matter

The consolidated financial statements of the Bank as at and for the year ended 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 26 January 2025. The interim condensed consolidated financial statements of the Bank as at and for the three month ended 31 March 2024 were reviewed by the same auditor who expressed unmodified conclusion on those interim consolidated condensed financial statements on 23 April 2024.


16 April 2025
Doha
State of Qatar



Gopal Balasubramaniam
KPMG L.L.C.
Qatar Auditor's Registry Number 251
Licensed by QFMA: External
Auditor's License No. 120153

	Notes	31 March 2025 (Reviewed)	31 December 2024 (Audited)
ASSETS			
Cash and bank balances	4	2,856,971	3,089,860
Financing assets	5	127,413	175,378
Investments securities	6	3,484,822	3,054,777
Investments in real estate		251,546	270,024
Fixed assets		10,467	11,747
Intangible assets		17,058	17,619
Assets held-for-sale	7	83,455	83,106
Other assets		171,977	119,882
TOTAL ASSETS		7,003,709	6,822,393
LIABILITIES, QUASI-EQUITY AND EQUITY			
Liabilities			
Financing liabilities		2,681,082	2,439,965
Customers' balances		243,671	186,904
Liabilities held-for-sale	7	13,723	13,723
Other liabilities		143,594	164,349
Total Liabilities		3,082,070	2,804,941
QUASI-EQUITY			
Participatory investment accounts		2,610,421	2,693,427
Equity			
Share capital	8	1,120,000	1,120,000
Share premium		80,003	80,003
Legal reserve		22,256	22,256
Investments fair value reserve		(15,420)	(22,769)
Retained earnings		127,193	142,735
Total Equity Attributable to Shareholders of the Bank		1,334,032	1,342,225
Non-controlling interest		(22,814)	(18,200)
Total Equity		1,311,218	1,324,025
TOTAL LIABILITIES, QUASI-EQUITY AND EQUITY		7,003,709	6,822,393
Off-balance sheet assets under management		10,671,371	8,604,433
Contingent liabilities and commitments	10	27,567	1,145

These interim condensed consolidated financial statements were authorized for issuance by the Board of Directors on 16th April 2025 and signed on its behalf by:


Mohamed Yousef Al Mana
Vice Chairman


Mohammed Ismail Al Emadi
Chief Executive officer

The attached notes 1 to 14 form an integral part of these interim condensed consolidated financial statements.

		For the three-month period	
	Notes	31 March 2025 (Reviewed)	31 March 2024 (Reviewed)
CONTINUING OPERATIONS			
INCOME			
Income from financing assets		2,420	1,619
Income from placements with financial institutions		38,559	44,816
Profit on sukuk investments		30,523	25,582
Profit on financing liabilities		(30,599)	(27,988)
Net income from financing and investing assets		40,903	44,029
Fee income		27,266	14,926
Dividend income		6,477	4,963
Loss on re-measurement of investments at fair value through income statement		(7,867)	(4,203)
Gain on disposal of sukuk investments		184	139
Gain on disposal of equity investments		11,132	8,782
(Loss) / gain on disposal of real estate investments		(7,291)	13,933
Net foreign exchange gain		4,968	855
Other income, net		18,119	4,332
TOTAL INCOME		93,891	87,756
EXPENSES			
Staff costs		(21,407)	(18,762)
Depreciation and amortisation		(1,934)	(1,606)
Other operating expenses		(11,273)	(9,887)
TOTAL EXPENSES		(34,614)	(30,255)
Provision for impairment on financing assets, net of recoveries	12	(526)	-
Provision for impairment on other financial assets	12	(652)	(29)
PROFIT BEFORE TAX AND ATTRIBUTION TO QUASI-EQUITY		58,099	57,472
Less: Net profit attributable to quasi-equity		(22,250)	(26,505)
PROFIT BEFORE INCOME TAX		35,849	30,967
Income tax expense		-	-
NET PROFIT FROM CONTINUING OPERATIONS		35,849	30,967
DISCONTINUED OPERATIONS			
Loss from discontinued operations, net of tax		-	(356)
NET PROFIT FOR THE PERIOD		35,849	30,611
Attributable to:			
Equity holders of the Bank		40,458	28,770
Non-controlling interest		(4,609)	1,841
		35,849	30,611
Basic/diluted profit per share from continuing operations - QAR		0.036	0.026
Basic/diluted profit per share from discontinued operations - QAR		-	-
Basic/diluted profit per share - QAR	9	0.036	0.026



The attached notes 1 to 14 form an integral part of these interim condensed consolidated financial statements.

	For the three-month period	
	31 March 2025 (Reviewed)	31 March 2024 (Reviewed)
NET PROFIT FOR THE PERIOD	35,849	30,611
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	(1,130)	(704)
Items that may be subsequently classified to consolidated income statement		
Fair value changes of debt-type investments classified as fair value through other comprehensive income	8,479	(1,775)
Fair value changes of investment in real estate reclassified to consolidated Income statement	-	(13,894)
Total other comprehensive income for the period	7,349	(16,373)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	43,198	14,238
Attributable to:		
Equity holders of the Bank	47,807	12,397
Non-controlling interest	(4,609)	1,841
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	43,198	14,238



	For the three-month period	
	31 March 2025 (Reviewed)	31 March 2024 (Reviewed)
NET PROFIT FOR THE PERIOD BEFORE ATTRIBUTION TO QUASI-EQUITY	58,099	57,472
Less: Income not attributable to quasi-equity	(22,866)	(23,119)
Add: Expenses not attributable to quasi-equity	-	-
Net profit attributable to quasi-equity holders before Bank's		
Mudaraba Income	35,233	34,353
Less: Mudarib's share	(29,948)	(10,306)
Add: Support provided by Bank	16,965	2,458
NET PROFIT ATTRIBUTABLE TO QUASI-EQUITY	22,250	26,505
OTHER COMPREHENSIVE INCOME		
Item that may be subsequently classified to consolidated statement of income		
Share in the reserve attributable to quasi-equity	-	-
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD	-	-
TOTAL PROFIT ATTRIBUTABLE TO QUASI-EQUITY	22,250	26,505



	Share capital	Share premium	Legal reserve	Investments fair value reserve	Retained earnings	Total equity attributable to equity holders of the Bank	Non- controlling interests	Total equity
Balance at 1 January 2025	1,120,000	80,003	22,256	(22,769)	142,735	1,342,225	(18,200)	1,324,025
Net profit for the period	-	-	-	-	40,458	40,458	(4,609)	35,849
Fair value adjustments	-	-	-	7,349	-	7,349	-	7,349
Dividend for the year 2024	-	-	-	-	(56,000)	(56,000)	-	(56,000)
Interim Dividend for the year 2025	-	-	-	-	-	-	(5)	(5)
Balance at 31 March 2025	1,120,000	80,003	22,256	(15,420)	127,193	1,334,032	(22,814)	1,311,218
Balance at 1 January 2024	1,120,000	80,003	9,439	(3,237)	30,206	1,236,411	(9,402)	1,227,009
Net profit for the period	-	-	-	-	28,770	28,770	1,841	30,611
Fair value adjustments	-	-	-	(16,373)	-	(16,373)	-	(16,373)
Net change in non-controlling interests	-	-	-	-	-	-	73,354	73,354
Balance at 31 March 2024	1,120,000	80,003	9,439	(19,610)	58,976	1,248,808	65,793	1,314,601



The attached notes 1 to 14 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three-month period ended 31 March 2025 (expressed in QAR'000)

		For the three-month period ended	
		31 March	31 March
	Notes	2025	2024
		(Reviewed)	(Reviewed)
OPERATING ACTIVITIES			
Net profit from continuing operations		35,849	30,967
Net loss from discontinued operations before tax		-	(356)
Net profit for the period		35,849	30,611
Adjustments for non-cash items			
Depreciation and amortisation		1,934	1,606
Loss on disposal of Fixed assets		-	6
Loss / (gain) on disposal of real estate Investments		7,291	(13,933)
Unrealised loss on equity investments		7,867	4,203
Unrealised loss / (profit) on Sharia-compliant risk management instruments, net		4,921	(828)
Provision for impairment on financing assets, net	12	526	-
Provision for impairment on other financial assets	12	652	29
		59,040	21,694
Changes in:			
Financing assets		47,439	21,766
Assets held-for-sale		(349)	(359,813)
Other assets		(54,268)	(9,038)
Customers' balances		56,767	553,040
Liabilities held-for-sale		-	68,106
Other liabilities		(25,676)	(10,802)
Net cash from operating activities		82,953	284,953
INVESTING ACTIVITIES			
Purchase of fixed assets & intangible assets		(90)	(213)
Proceeds from disposal of fixed assets		-	110
Investments securities		(431,301)	(218,350)
Investment in real estate		(2,898)	-
Proceeds from disposal of real estate investments		16,255	253,250
Net change in cash and bank balances with maturity of more than 90 days		846,945	367,228
Net cash from investing activities		428,911	402,025
FINANCING ACTIVITIES			
Net change in financing liabilities		241,117	447,216
Net change in participatory investment accounts		(83,006)	107,441
Net change in non-controlling interest		(5)	73,354
Dividends paid to equity holders		(56,000)	-
Net cash from financing activities		102,106	628,011
Net increase in cash and cash equivalents		613,970	1,314,989
Cash and cash equivalents at the beginning of the period	4	1,952,050	1,892,842
Cash and cash equivalents at the end of the period	4	2,566,020	3,207,831

The attached notes 1 to 14 form an integral part of these interim condensed consolidated financial statements

	1 January 2025	Movements during the year				At 31 March 2025
		Investments	Revaluations / Gross Income	Dividends paid	Bank's Fee as an agent	
Investments						
Sukuk securities Portfolio	227,594	349,215	4,851	(4,851)	-	576,809
Equity securities portfolio	8,376,839	2,579,041	(800,349)	(45,821)	(15,148)	10,094,562
	8,604,433	2,928,256	(795,498)	(50,672)	(15,148)	10,671,371

	1 January 2024	Movements during the year				At 31 March 2024
		Investments	Revaluations / Gross Income	Dividends paid	Bank's Fee as an agent	
Investments						
Sukuk securities Portfolio	59,089	894	-	-	-	59,983
Equity securities portfolio	6,129,826	218,131	16,310	(27,695)	(13,581)	6,322,991
	6,188,915	219,025	16,310	(27,695)	(13,581)	6,382,974



The attached notes 1 to 14 form an integral part of these interim condensed consolidated financial statements.

1. REPORTING ENTITY

Lesha Bank LLC (Public) ("the Bank" or "the Parent") is an Islamic bank, which was established in the State of Qatar as a limited liability company under license No.00091, dated 4 September 2008, from the Qatar Financial Centre Authority. The Bank is authorized to conduct the following regulated activities by the Qatar Financial Centre Regulatory Authority (the "QFCRA"):

- Deposit taking;
- Providing credit facilities;
- Dealing in investments;
- Arranging deals in investments;
- Arranging credit facilities;
- Providing custody services;
- Arranging the provision of custody services;
- Managing investments;
- Advising on investments; and
- Operating a collective investment fund

All the Bank's activities are regulated by the QFCRA and are conducted in accordance with Islamic Shari'a principles, as determined by the Shari'a Supervisory Board of the Bank and in accordance with the provisions of its Articles of Association. The Bank operates through its head office located on 4th Floor, Tornado Tower, West Bay, Doha, State of Qatar. The Bank's issued shares were listed for trading on the Qatar Exchange effective from 27 April 2016 (ticker: "QFBQ").

The interim condensed consolidated financial statements of the Bank for the three-month period ended 31 March 2025 comprise of the Bank's and its subsidiaries' (together referred to as "the Group" and individually as "Group entities") results. The Parent Company / Ultimate Controlling Party of the Group is Lesha Bank LLC (Public).

The Bank had the following subsidiaries as at 31 March 2025 and 31 December 2024:

Subsidiaries	Activity	Effective ownership as at		Year of incorporation	Country
		31 March 2025	31 December 2024		
QFB Money Market Fund 1	Money market fund	100.0%	100.0%	2015	Cayman Islands
LB Aviation Holdco	Investments	100.0%	0.0%	2025	Qatar
Astor Properties Finance Limited.* ¹	Financing	29.0%	29.0%	2017	Jersey
Astor Properties Holdings Limited.* ¹	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%	100.0%	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 Income Fund	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 FOF 2	Investments	100.0%	100.0%	2022	Cayman Islands
QFB Hospitality Ltd.	Investments	100.0%	100.0%	2022	Cayman Islands
Gateway LLC	Investments	100.0%	100.0%	2020	Qatar
LB Real Estate Equity Fund 1	Investments	100.0%	100.0%	2022	Cayman Islands

*These subsidiaries related to investment products offered to customers.

¹Although the Bank holds less than 50 percent effective holding, the Bank exercises control by virtue of its contractual right and other qualitative factors.

²On 8th October 2024, the Bank acquired the entire share capital of a foreign bank, Bereke Bank JSC located in the republic of Kazakhstan. The Bank successfully completed the acquisition which was fully syndicated to an investor through a sharia compliant structure.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group have been prepared in accordance with Financial Accounting Standards ("FAS 41 Interim Financial Reporting") issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI"), as amended by applicable provisions of QFCRA regulations. In line with the requirements of AAOIFI, for matters that are not covered by FAS, the Group uses the guidance from the relevant International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB").

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

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

FAS 33's exemption to carry equity investments at cost less impairment, when a reliable measure of fair value when on a continuous basis cannot be determined, was removed. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value and are reported as part of fair value reserve within equity statement. Cumulative gains and losses recognised as part of fair value reserve within equity are transferred to retained earnings on disposal of equity investments at fair value through equity. The regulation is effective from the financial reporting beginning on or after 1 January 2020. The new regulation did not have any impact on these interim condensed consolidated financial statements.

The interim condensed consolidated financial statements do not contain all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2024. In addition, results for the three-month period ended 31 March 2025 are not necessarily indicative of results that may be expected for the financial year ending 31 December 2025.

The interim condensed consolidated financial statements have been prepared under the historical cost convention except for valuation of investments in securities, investments in real estate and sharia-compliant-risk management instruments, which are carried at fair value.

The interim condensed consolidated financial statements are presented in Qatari Riyals ("QAR"), which is the Bank's functional and presentational currency, and all values are rounded to the nearest QAR thousand except when otherwise indicated.

Judgements and estimates

The preparation of the interim condensed consolidated financial statements in conformity with FAS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are consistent with those applied to the annual consolidated financial statements as at 31 December 2024.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2024.

3.1. New standards, amendments and interpretations issued but not yet effective

FAS 45: Quasi-Equity (Including Investment Accounts)

AAOIFI has issued Financial Accounting Standard (FAS) 45 "Quasi-Equity (Including Investment Accounts)" during 2023. The objective of this standard is to establish the principles for identifying, measuring, and presenting "quasi-equity" instruments in the financial statements of Islamic Financial Institutions "IFIs".

The standard prescribes the principles of financial reporting to participatory investment instruments (including investment accounts) in which an IFI controls underlying assets (mostly, as working partner), on behalf of the stakeholders other than owner's equity. This standard provides the overall criteria for on-balance sheet accounting for participatory investment instruments and quasi-equity, as well as, pooling, recognition, derecognition, measurement, presentation and disclosure for quasi-equity.

This standard shall be effective for the financial reporting periods beginning on or after 1 January 2026 with an option to early adopt.

The Group does not expect any significant impact on the adoption of this standard.

FAS 46: Off-Balance-Sheet Assets Under Management

AAOIFI has issued Financial Accounting Standard ("FAS") 46 "Off-Balance-Sheet Assets Under Management" during 2023. The objective of this standard is to establish principles and rules for recognition, measurement, disclosure, and derecognition of off-balance-sheet assets under management, based on Shari'a and international best practices. The standard aims to improve transparency, comparability, accountability, and governance of financial reporting related to off-balance-sheet assets under management.

This standard is applicable to all IFIs with fiduciary responsibilities over asset(s) without control, except for the following:

- The participants' Takaful fund and / or participants' investment fund of a Takaful institution; and
- An investment fund managed by an institution, being a separate legal entity, which is subject to financial reporting in line with the requirements of the respective AAOIFI FAS.

This standard shall be effective for the financial reporting periods beginning on or after 1 January 2026 with an option to early adopt.

This standard shall be effective for the financial periods beginning on or after 1 January 2026 with an option to early adopt. This standard shall be adopted at the same time as adoption of FAS 45 "Quasi-Equity (Including Investment Accounts)".

The Group does not expect any significant impact on the adoption of this standard.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1. New standards, amendments and interpretations issued but not yet effective (continued)

FAS 47: Transfer of Assets Between Investment Pools

AAOIFI has issued Financial Accounting Standard ("FAS") 47 "Transfer of Assets Between Investment Pools" during 2023. The objective of this standard is to establish guidance on the accounting treatment and disclosures for transfers of assets between investment pools that are managed by the same institution or its related parties. The standard applies to transfers of assets that are not part of a business combination, a disposal of a business, or a restructuring of an institution.

The standard defines an investment pool as a group of assets that are managed together to achieve a common investment objective, such as a fund, a portfolio, or a trust. The standard also defines a transfer of assets as a transaction or event that results in a change in the legal ownership or economic substance of the assets, such as a sale, a contribution, a distribution, or a reclassification.

The transfer of assets between investment pools should be accounted for based on the substance of the transaction and the terms and conditions of the transfer agreement. The standard classifies transfers of assets into three categories: transfers at fair value, transfers at carrying amount, and transfers at other than fair value or carrying amount. The standard also specifies the disclosure requirements for transfers of assets between investment pools.

This standard shall be effective for the financial periods beginning on or after 1 January 2026 with an option to early adopt.

The Group does not expect any significant impact on the adoption of this standard.

FAS 48: Promotional Gifts and Prizes

This standard prescribes accounting and financial reporting requirements applicable to promotional gifts and prizes awarded by the Islamic financial institutions. The standard categorizes them into a) promotional gifts where entitlement occurs instantly; b) promotional prizes that are announced in advance to be awarded at a future date and c) loyalty programs where the obligation is accumulated over the period.

This standard is effective for the financial periods beginning on or after 1 January 2026, with an option to early adopt.

The Group does not expect any significant impact on the adoption of this standard.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1. New standards, amendments and interpretations issued but not yet effective (continued)

FAS 49 - Financial Reporting for Institutions Operating in Hyperinflationary Economies

This standard establishes the principles of financial reporting for the institutions operating in hyperinflationary economies. This standard is applicable to the institutions whose functional currency is the currency of a hyperinflationary economy, and on consolidated financial statements of an institution to the extent of impacts relating to a subsidiary whose functional currency is the currency of a hyperinflationary economy.

The standard prescribes pertinent factors for determination of hyperinflationary economy.

This standard is effective for the financial periods beginning on or after 1 January 2026, with an option to early adopt.

AAOIFI recommended that all institutions operating in the same hyperinflationary economy shall apply this standard from the same date to ensure that comparability between their results is possible.

The Group does not expect any significant impact on the adoption of this standard.

FAS 50 - Financial reporting for Islamic Investment institutions (including investment funds)

This standard replaces "FAS 14 - Investment funds" and is not applicable to a) financial reporting for Sukuk holders and the Sukuk in the books of the originator; b) off-balance sheet assets under management that do not take form of a separate legal entity; c) investment institutions taking the form of a Waqf from Shari'ah perspective; and d) investment funds (e.g., participants' investment funds) managed by Takaful institutions.

This standard is effective for the financial periods beginning on or after 1 January 2027, with an option to early adopt.

The Group does not expect any significant impact on the adoption of this standard.

4. CASH AND BANK BALANCES

	31 March 2025 (Reviewed)	31 December 2024 (Audited)
Cash in hand	30	30
Balances with banks (current accounts)	157,358	67,416
Placements with financial institutions	2,703,428	3,026,345
Provision for impairment	(3,845)	(3,931)
	2,856,971	3,089,860
Less: balances with maturity of more than 90 days	(294,796)	(1,141,741)
Add: provision for impairment (non-cash)	3,845	3,931
Cash and cash equivalents	2,566,020	1,952,050

5. FINANCING ASSETS

	31 March 2025 (Reviewed)	31 December 2024 (Audited)
Murabaha financing	364,375	352,578
Deferred investment sales	90,087	179,132
Others	49,311	31,527
Total financing assets	503,773	563,237
Deferred profit	(28,795)	(40,820)
Provision for impairment on financing assets	(347,565)	(347,039)
Net financing assets	127,413	175,378

6. INVESTMENTS SECURITIES

	31 March 2025 (Reviewed)	31 December 2024 (Audited)
<i>Classified as fair value through income statement</i>		
- Equity type (unquoted)	666,794	627,424
- Fund type	525,785	279,180
	1,192,579	906,604
<i>Debt-type classified at amortised cost</i>		
- Debt type sukuk investments	41,860	41,860
Accrued profit	620	854
Unamortised premiums, net	73	107
Allowance for impairment	(1,197)	(1,094)
	41,356	41,727
<i>Classified as fair value through other comprehensive income</i>		
- Equity type (quoted)	57,393	51,908
- Equity type (unquoted)	79,973	79,973
- Debt type sukuk investments	2,113,521	1,974,565
	2,250,887	2,106,446
	3,484,822	3,054,777

Loss on re-measurement of investments at fair value through income statement for the three-month period ended 31 March 2025 was QAR 7.9 million (for the three-month period ended 31 March 2024: a loss of QAR 4.2 million).

*As at 31 March 2025, the Bank recognized a positive fair value adjustment of QAR 8.5 million (for the three-month period ended 31 March 2024: a negative fair value of QAR 1.8 million) related to these sukuk investments and a negative fair value of QAR 1.1 million on listed equity investments (for the three-month period ended 31 March 2024: a negative fair value of QAR 0.7 million). Sukuk investments of nominal value of QAR 913.4 million (fair value of QAR 943 million) of the Group have been pledged as security for bank financing liabilities of QAR 804.6 million of the Group.

7. ASSETS AND LIABILITIES HELD-FOR-SALE

	31 March 2025 (Reviewed)	31 December 2024 (Audited)
Equity investments held-for-sale	83,455	83,106
Liabilities of disposal group classified as held-for-sale	13,723	13,723

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

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

7.1.1 Assets and liabilities of Real Estate Structure

As part of its business, the Bank from time to time enters various structures to invest indirectly in real estate properties using special purpose vehicles ("SPV") with an intention to sell substantial part of it to investors. Until the Bank ceases its control over those SPVs, they are consolidated by the Bank as a result of application of the accounting consolidation rules under Financial Accounting Standard 23 whereby an entity needs to consolidate an SPV based on economic substance despite the fact that the SPV is not legally owned by and not legally related to the Bank. The financings of these SPVs related to the real estate property have no recourse to the Bank.

7.1.2 Assets and liabilities of a 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 83.5 million has been classified as assets held for sale in the interim condensed consolidated financial statements.

8. SHARE CAPITAL

	31 March 2025 (Reviewed)	31 December 2024 (Audited)
Authorized		
1,120,000,000 ordinary shares of QAR 1 each	<u>1,120,000</u>	<u>2,500,000</u>
Issued and paid		
1,120,000,000 ordinary shares of QAR 1 each	<u>1,120,000</u>	<u>1,120,000</u>

At the Annual General Meeting (AGM) of the Bank held on 25 February 2025, the shareholders approved to change the authorized shares capital to QAR 1,120,000,000.

9. BASIC AND DILUTED PROFIT PER SHARE

The calculation of basic earnings per share is based on the net profit attributable to the Bank's shareholders and the weighted average number of shares outstanding during the period:

	For the three-month period ended	
	31 March 2025 (Reviewed)	31 March 2024 (Reviewed)
<i>Basic and diluted profit per share</i>		
Net profit attributable to the equity holders of the Bank from continuing operations	40,458	29,633
Net loss attributable to the equity holders of the Bank from discontinued operations	-	(863)
Net Profit attributable to the equity holders of the Bank	40,458	28,770
Total weighted average number of shares (thousand)	1,120,000	1,120,000
Basic and diluted profit per share from continuing operations - QAR	0.036	0.026
Basic and diluted profit per share from discontinued operations - QAR	-	-
Basic and diluted profit per share - QAR	0.036	0.026

10. CONTINGENT LIABILITIES

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

	31 March 2025 (Reviewed)	31 December 2024 (Audited)
Unutilised credit facilities	27,567	1,145
	27,567	1,145

Contingent liabilities related to Sharia-compliant-risk-management instruments, representing notional amounts, amounted to QAR 1,517 million (31 December 2024: QAR 1,235.4 million).

11. RELATED PARTIES TRANSACTIONS AND BALANCES

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

	31 March 2025		
	Affiliates	Other*	Total
	(Reviewed)	(Reviewed)	(Reviewed)
<i>a) Consolidated statement of financial position as at</i>			
Financing assets	-	18,245	18,245
Other assets	-	9,100	9,100
Customers' balances	-	30,141	30,141
Liabilities held-for-sale	13,723	-	13,723
<i>b) Consolidated income statement for the three-month period ended</i>			
Income from financing assets	-	322	322
Provision for impairment on financing assets	-	51	51
Other operating expenses	-	(515)	(515)
<i>c) Off balance sheet instruments as at</i>			
Assets under management	-	99,085	99,085

	31 December 2024		
	Affiliates	Other*	Total
	(Audited)	(Audited)	(Audited)
<i>a) Consolidated statement of financial position as at</i>			
Other assets	-	9,100	9,100
Customers' balances	-	30,719	30,719
Liabilities held-for-sale	13,723	-	13,723
<i>b) Off balance sheet instruments as at</i>			
Asset under management	-	155,027	155,027

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

	31 March 2024		
	Affiliates	Other*	Total
	(Reviewed)	(Reviewed)	(Reviewed)
<i>c) Consolidated income statement for the three-month period ended</i>			
Income from financing assets	422	-	422
Reversal for impairment of financing assets	686	-	686
Other operating expenses	-	(331)	(331)

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

11. RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

Key management compensation is presented below:

	For the three-month period ended	
	31 March 2025 (Reviewed)	31 March 2024 (Reviewed)
<i>Key management personnel compensation :</i>		
Senior management personnel	2,155	1,916
Shari'a Supervisory Board remuneration	125	115
	2,280	2,031

Boards Of Directors remuneration for the period ended 31 March 2025 is QAR 1.1 million (31 March 2024: QAR Nil).

12. FINANCIAL RISK MANAGEMENT

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements; they should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2024.

Credit risk exposures

	31 March 2025			
	Stage 1 (Reviewed)	Stage 2 (Reviewed)	Stage 3 (Reviewed)	Total (Reviewed)
Cash and bank balances	2,857,176	-	3,640	2,860,816
Investments carried at amortised cost	42,553	-	-	42,553
Investments carried at fair value	2,122,216	-	-	2,122,216
Financing assets	97,172	65,554	312,252	474,978
Off balance sheet instruments, subject to credit risk	27,567	-	-	27,567
	5,146,684	65,554	315,892	5,528,130

	31 December 2024			
	Stage 1 (Audited)	Stage 2 (Audited)	Stage 3 (Audited)	Total (Audited)
Cash and bank balances	3,090,151	-	3,640	3,093,791
Investments carried at amortised cost	42,821	-	-	42,821
Investments carried at fair value	1,982,625	-	-	1,982,625
Financing assets	144,759	65,211	312,447	522,417
Off balance sheet instruments, subject to credit risk	1,145	-	-	1,145
	5,261,501	65,211	316,087	5,642,799

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:

12. FINANCIAL RISK MANAGEMENT (Continued)

	31 March 2025				31 December 2024			
	Stage 1 (Reviewed)	Stage 2 (Reviewed)	Stage 3 (Reviewed)	Total (Reviewed)	Stage 1 (Audited)	Stage 2 (Audited)	Stage 3 (Audited)	Total (Audited)
Cash and bank balances								
Balance at 1 January	291	-	3,640	3,931	731	-	3,640	4,371
Impairment allowance, net	(86)	-	-	(86)	(440)	-	-	(440)
Balance at end of the period/year	205	-	3,640	3,845	291	-	3,640	3,931
Investments carried at amortised cost								
Balance at 1 January	1,094	-	-	1,094	1,288	-	-	1,288
Impairment allowance, net	103	-	-	103	(194)	-	-	(194)
Balance at end of the period/year	1,197	-	-	1,197	1,094	-	-	1,094
Investments carried at fair value through other comprehensive income								
Balance at 1 January	8,060	-	-	8,060	9,561	-	-	9,561
Impairment allowance, net	635	-	-	635	(1,501)	-	-	(1,501)
Balance at end of the period/year	8,695	-	-	8,695	8,060	-	-	8,060
Financing assets								
Balance at 1 January	796	39,075	307,168	347,039	6,414	30,885	301,512	338,811
Foreign currency fluctuation,(net)	-	-	-	-	-	(25)	-	(25)
Impairment allowance, net	(591)	1,117	-	526	(5,618)	8,215	5,656	8,253
Balance at end of the period/year	205	40,192	307,168	347,565	796	39,075	307,168	347,039

13. FAIR VALUE OF FINANCIAL INSTRUMENTS**13.1. Fair value hierarchy**

Fair value measurements are analysed by level in the fair value hierarchy as follows:

	Level 1	Level 2	Level 3	Total
31 March 2025				
Investments carried at fair value				
- at fair value through equity	2,170,914	-	79,973	2,250,887
- at fair value through income statement	-	-	666,794	666,794
Investments in real estate carried at fair value	-	-	251,546	251,546
Investments in funds carried at fair value	79,467	-	446,318	525,785
Net gains and losses included in the consolidated statement of changes in equity	7,349	-	-	7,349
Net gains and losses included in the consolidated income statement	(686)	-	8,792	8,106
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	(2,479)	-	(13,894)	(16,373)
Net gains and losses included in the consolidated income statement	898	-	(11,262)	(10,364)

In addition to the above financial instruments, as at 31 March 2025 the Group had Sharia-compliant-risk management instruments whose negative fair value was QAR 4.9 million (31 December 2024: positive fair value of QAR 9.1 million), derived using Level 2 fair value hierarchy. The valuation techniques and key assumptions have remained consistent with those disclosed in the annual consolidated financial statements as at and for the year ended 31 December 2024.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)**13.2. Movements in level 3 financial instruments**

The following table shows the reconciliation of the opening and closing amount of Level 3 investments, which are recorded at fair value:

	At 1 January 2025	Total gain / (losses) recorded in consolidated income statement /equity	Additions	Disposals	At 31 March 2025
<i>Equity investments</i>					
- at fair value through equity	79,973	-	-	-	79,973
- at fair value through income statement	826,451	8,792	283,135	(5,266)	1,113,112
	906,424	8,792	283,135	(5,266)	1,193,085
	At 1 January 2024	Total gain / (losses) recorded in consolidated income statement /equity	Additions	Disposals	At 31 December 2024
<i>Equity investments</i>					
- 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

14. SEGMENT INFORMATION

Below is the information about operating segments:

	For the three-month period ended			
	31 March 2025		31 March 2024	
	Segment income (Reviewed)	Segment Profit (Reviewed)	Segment income (Reviewed)	Segment Profit (Reviewed)
Alternative Investments	38,636	35,829	17,004	23,490
Private Bank	53,698	(986)	70,752	7,121
Other	1,557	1,006	-	-
Total	93,891	35,849	87,756	30,611