

QInvest L.L.C

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE THREE-MONTH PERIOD ENDED
31 MARCH 2022**

QInvest L.L.C

Interim Condensed Consolidated Financial Statements

For the three-month period ended 31 March 2022

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF QINVEST L.L.C

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of QInvest L.L.C ("QInvest" or the "Bank") and its subsidiaries (together referred to as the "Group") as at 31 March 2022, which comprise the interim consolidated statement of financial position as at 31 March 2022, and the related interim consolidated statement of income, interim consolidated statement of changes in equity, interim consolidated statement of changes in restricted investment accounts and the interim consolidated statement of cash flows for the three-month period then ended and related explanatory notes.

The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI") as modified by the Qatar Financial Centre Regulatory Authority ("QFCRA"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim condensed 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with FAS issued by AAOIFI as modified by the QFCRA.


Ernst & Young

Date: 19 April 2022
Doha
State of Qatar

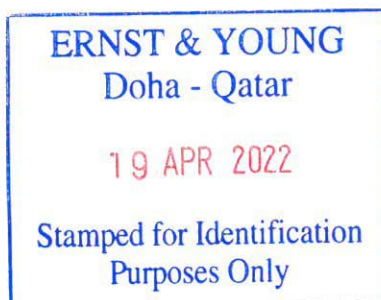


QInvest LLC

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022


	31 March 2022 QAR '000	31 December 2021 QAR '000
Assets		
Cash and bank balances	1,039,031	181,166
Placements with banks	501,425	147,959
Financing assets	437,466	432,316
Investment securities	2,743,927	2,791,778
Investments in real estate	399,388	406,111
Investment in associates	122,673	124,321
Assets held for sale	-	231,089
Other assets	302,936	220,595
Total assets	5,546,846	4,535,335
Liabilities and equity		
Liabilities		
Financing liabilities	3,371,343	2,181,354
Wakala deposits	315,497	321,397
Liabilities associated with assets held for sale	-	150,711
Other liabilities	129,933	109,593
Total liabilities	3,816,773	2,763,055
Equity		
Share capital	1,961,720	1,961,720
Share premium	7,800	7,800
Other reserves	(82,916)	(58,509)
Accumulated losses	(158,569)	(150,816)
Equity attributable to the shareholders of the Bank	1,728,035	1,760,195
Non-controlling interests	2,038	12,085
Total equity	1,730,073	1,772,280
Total liabilities and equity	5,546,846	4,535,335
Off-balance sheet items		
Restricted investment accounts	1,870,767	1,746,246



These interim condensed consolidated financial statements were approved by the Board of Directors on 12 April 2022 and were signed on its behalf by:


Sheikh Jassim Bin Hamad Bin Jassim Bin Jaber Al Thani
Chairman


Hussein Fakherdine
Chief Executive Officer

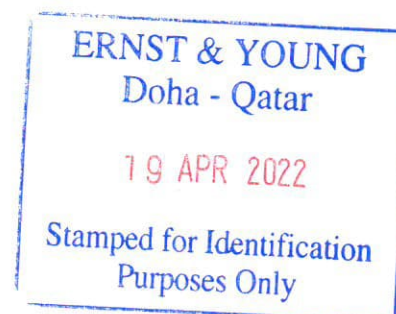

Hussain Abdulla
Chief Executive Officer

QInvest LLC

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three-month period ended 31 March 2022

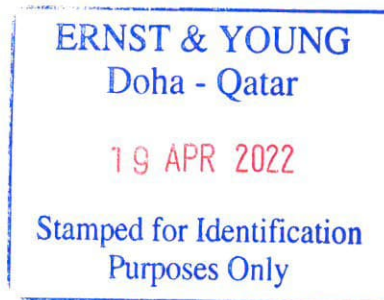
	<i>Three-month period ended</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>2022</i>	<i>2021</i>
	<i>QAR '000</i>	<i>QAR '000</i>
Net fee and commission income	5,930	49,781
Net gain/ (loss) from financing assets	5,151	(16,791)
Net gain from investments	39,825	30,671
Share of results of associates	1,176	4,798
Other losses	(1,491)	(3,902)
Total operating revenue	50,591	64,557
Staff costs	(21,090)	(22,739)
General and administrative expenses	(6,359)	(5,970)
Depreciation and amortisation	(291)	(571)
Total operating expenses	(27,740)	(29,280)
Operating profit	22,851	35,277
Finance expenses	(20,485)	(14,629)
Net (allowance) of impairment of credit losses	(48)	-
Profit from disposal of assets held for sale	11,248	-
Profit before tax	13,566	20,648
Income tax	(2,100)	(3,094)
Profit for the period	11,466	17,554
Attributable to:		
Shareholders of the bank	9,988	17,554
Non-controlling interests	1,478	-
	11,466	17,554



INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	Notes	31 March 2022 (Reviewed) US\$ '000	31 December 2021 (Audited) US\$ '000
Assets			
Cash and bank balances		285,448	49,771
Placements with banks		137,754	40,648
Financing assets	4	120,183	118,768
Investment securities	5	753,826	766,972
Investments in real estate		109,722	111,569
Investment in associates		33,701	34,154
Assets held for sale	15	-	63,486
Other assets		83,225	60,603
Total assets		1,523,859	1,245,971
Liabilities and equity			
Liabilities			
Financing liabilities	6	926,193	599,273
Wakala deposits		86,675	88,296
Liabilities associated with assets held for sale	15	-	41,404
Other liabilities		35,696	30,108
Total liabilities		1,048,564	759,081
Equity			
Share capital	11	538,934	538,934
Share premium		2,143	2,143
Other reserves	12	(22,779)	(16,074)
Accumulated losses		(43,563)	(41,433)
Equity attributable to the shareholders of the Bank		474,735	483,570
Non-controlling interests		560	3,320
Total equity		475,295	486,890
Total liabilities and equity		1,523,859	1,245,971
Off-balance sheet items			
Restricted investment accounts		513,947	479,738



These interim condensed consolidated financial statements were approved by the Board of Directors on 12 April 2022 and were signed on its behalf by: -

Sheikh Jassim Bin Hamad Bin Jassim Bin Jaber Al Thani
Chairman

Hussein Fakherddine
Chief Executive Officer

Hussain Abdulla
Chief Executive Officer

The attached notes 1 to 18 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three-month period ended 31 March 2022

		<i>Three-month period ended</i>	
		<i>31 March</i>	<i>31 March</i>
		<i>2022</i>	<i>2021</i>
		<i>(Reviewed)</i>	<i>(Reviewed)</i>
<i>Notes</i>		<i>US\$ '000</i>	<i>US\$ '000</i>
Net fee and commission income		1,629	13,676
Net income / (loss) from financing assets	8	1,415	(4,613)
Net gain from investments	9	10,941	8,426
Share of results of associates		323	1,318
Other losses		(409)	(1,072)
Total operating revenue		13,899	17,735
Staff costs		(5,794)	(6,247)
General and administrative expenses		(1,747)	(1,640)
Depreciation and amortisation		(80)	(157)
Total operating expenses		(7,621)	(8,044)
Operating profit		6,278	9,691
Finance expenses		(5,628)	(4,019)
Net (allowance) of impairment and credit losses		(13)	-
Profit from disposal of assets held for sale	15	3,090	-
Profit before tax		3,727	5,672
Income tax		(577)	(850)
Profit for the period		3,150	4,822
Attributable to:			
Shareholders of the bank		2,744	4,822
Non-controlling interests		406	-
		3,150	4,822

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Doha - Qatar

19 APR 2022

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QInvest LLC

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-month period ended 31 March 2022

	Attributable to the shareholders of the Bank						
	Share capital US\$ '000	Share premium US\$ '000	Other reserves US\$ '000	Accumulated losses US\$ '000	Total equity US\$ '000	Non-controlling interest US\$ '000	Total equity US\$ '000
As at 1 January 2022 (Audited)	538,934	2,143	(16,074)	(41,433)	483,570	3,320	486,890
Profit for the period	-	-	-	2,744	2744	406	3,150
Net realised loss on fair value through equity investments	-	-	4,874	(4,874)	-	-	-
Net loss on changes on fair value of fair value through equity investments	-	-	(30,741)	-	(30,741)	-	(30,741)
Share of reserves of equity accounted associates	-	-	(44)	-	(44)	-	(44)
Effective portion of changes in fair value of hedges	-	-	25,518	-	25,518	-	25,518
Net movement in non-controlling interest	-	-	-	-	-	(3,166)	(3,166)
Foreign currency translation differences of foreign operations	-	-	(6,312)	-	(6,312)	-	(6,312)
As at 31 March 2022 (Reviewed)	538,934	2,143	(22,779)	(43,563)	474,735	560	475,295

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The attached notes 1 to 18 form an integral part of these interim condensed consolidated financial statements.

QInvest LLC

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the three-month period ended 31 March 2022

	Share capital US\$ '000	Share premium US\$ '000	Other reserves US\$ '000	Accumulated losses US\$ '000	Total equity US\$ '000
As at 1 January 2021 (Audited)	607,965	2,143	(10,048)	(63,433)	536,627
Profit for the period	-	-	-	4,822	4,822
Net realised gain on fair value through equity investments	-	-	(55)	55	-
Net change in fair value of fair value through equity investments	-	-	(1,696)	-	(1,696)
Share of reserves of equity accounted associates	-	-	335	-	335
Effective portion of changes in fair value of hedges	-	-	2,668	-	2,668
Foreign currency translation differences of foreign operations	-	-	2,600	-	2,600
Share buy-back (Note 11)	(61,213)	-	-	25,638	(35,575)
As at 31 March 2021 (Reviewed)	546,752	2,143	(6,196)	(32,918)	509,781

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INTERIM CONSOLIDATED STATEMENT OF CHANGES IN RESTRICTED INVESTMENT ACCOUNTS

For the three-month period ended 31 March 2022

	<i>Balance at 1 January 2022 (Audited) US\$ '000</i>	<i>Movements during the period</i>				<i>Balance at 31 March 2022 (Reviewed) US\$ '000</i>
		<i>Investments US\$ '000</i>	<i>Revaluation gain US\$ '000</i>	<i>Realised income US\$ '000</i>	<i>Agency fees US\$ '000</i>	<i>Administration expenses US\$ '000</i>
Restricted investment accounts	479,738	3,210	21,515	10,043	(537)	(22)
						513,947

	<i>Balance at 1 January 2021 (Audited) US\$ '000</i>	<i>Movements during the period</i>				<i>Balance at 31 March 2021 (Reviewed) US\$ '000</i>
		<i>Repayments US\$ '000</i>	<i>Revaluation loss US\$ '000</i>	<i>Realised income US\$ '000</i>	<i>Agency fees US\$ '000</i>	<i>Administration expenses US\$ '000</i>
Restricted investment accounts	455,335	(2,180)	(4,403)	4,221	(23)	-
						452,950

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QInvest LLC

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three-month period ended 31 March 2022

	Notes	Three-month period ended	
		31 March 2022 (Reviewed) US\$ '000	31 March 2021 (Reviewed) US\$ '000
Operating activities			
Profit before tax		3,727	5,672
<i>Adjustments:</i>			
Share of results of associates		(323)	(1,318)
Net unrealised foreign exchange losses / (gains)		23	(406)
Net realised loss on disposal of fair value through income statement investments		32	-
Profit from disposal of assets held for sale	15	(3,090)	-
Depreciation and amortization		80	157
Gain on fair value through income statement investments		(2,938)	(502)
Net fair value changes on financing assets	8	2,161	7,279
Net (allowance) of impairment of credit losses		13	-
Employees' end of service benefits, net		534	303
Net operating gain before changes in operating assets and liabilities		219	11,185
Change in restricted bank balances		(192,582)	-
Change in other assets		(3,489)	3,013
Change in other liabilities		5,279	(4,236)
Cash flows used in operating activities		(190,573)	9,962
Employees' end of service benefits paid		(58)	(10)
Net cash flows (used in) / from operating activities		(190,631)	9,952
Investing activities			
Purchase of investment securities		(167,293)	(85,688)
Proceeds from disposal of investment securities		150,126	52,169
Proceeds from disposal of assets held for sale	15	25,331	-
Net movement in financing assets		-	(222)
Net movement in investment in associates		549	587
Purchase of equipment and intangible assets		(10)	(13)
Net cash flows from / (used in) investing activities		8,703	(33,167)
Financing activities			
Share buy-back		-	(35,503)
Net movement in financing liabilities		326,921	51,211
Net movement in wakala deposits		(1,621)	793
Unclaimed dividend payments		(5)	(152)
Payment to non-controlling interests	15	(3,166)	-
Net cash flows from financing activities		322,129	16,349
Increase / (decrease) in cash and cash equivalents		140,201	(6,866)
Cash and cash equivalents at 1 January		90,419	52,320
Cash and cash equivalents at 31 March	10	230,620	45,454

The attached notes 1 to 18 form an integral part of these interim condensed consolidated financial statements.

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

QInvest L.L.C (“QInvest” or “the Bank”), and its subsidiaries (together referred to as the “Group”), is an Islamic investment bank, which has been established as a limited liability company in the Qatar Financial Centre. The Bank was authorised by the Qatar Financial Centre Regulatory Authority (“QFCRA”) on 30 April 2007. It’s registered office is at 39th Floor, Tornado Tower, Street No. 213, Majlis Al Tawoon Street, Zone 60, West Bay, Doha, State of Qatar.

The Bank is authorised by the Qatar Financial Centre Regulatory Authority (the “QFCRA”) to conduct the following regulated activities:

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

The authorisation applies to regulated activities undertaken in or from the Qatar Financial Center, subject to certain restriction and conditions relating to retail customers and in relation to specified products. The Bank’s activities are regulated by the QFCRA and are supervised by a Sharia’a Supervisory Board. These interim condensed consolidated financial statements of the Group as at and for the three-month period ended 31 March 2022 were authorised for issue by the Board of Directors on 12 April 2022.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

These interim condensed consolidated financial statements of the Bank and its subsidiaries (together known as the Group) for the three-month period ended 31 March 2022 have been prepared in accordance with the 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”). In accordance with the requirement of AAOIFI, for matters where AAOIFI does not have an accounting standard or guidance, the Group seeks guidance from the International Financial Reporting Standards (the IFRSs). Accordingly, the interim condensed consolidated financial statements have been prepared in accordance with the guidance provided by International Accounting Standard 34 – ‘Interim Financial Reporting’.

The Group has complied with the Islamic Sharia’a Rules and Principles as determined by the Sharia’a Supervisory Board of the Bank and the applicable provisions of the QFCRA rules.

These interim condensed consolidated financial statements have been prepared under the historical cost convention, except for financial investments classified as investments at fair value through equity, investments at fair value through income statement, financing assets and other debt instruments classified as fair value through income statement, derivative financial instruments and investments in real estate that have been measured at fair value.

These interim condensed consolidated financial statements are presented in US Dollars thousands (“US\$ ‘000”), except where otherwise stated, which is Group’s presentation and functional currency. The management of the Group has decided to present the interim consolidated statement of financial position and interim consolidated statement of income in Qatari Riyals as well. Those two statements are disclosed at the beginning of these interim condensed consolidated financial statements as supplementary information and do not form part of the reviewed interim condensed consolidated financial statements.

Significant accounting policies

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)**New standards adopted by the Group**

The following new standards adopted by the Group in preparation of these interim condensed consolidated financial statements. The adaptation of these new standards do not have significant impact on the interim condensed consolidated financial statements.

<i>Topic</i>	<i>Effective date</i>
FAS 37 -Financial Reporting by Waqf Institutions	1 January 2022
FAS 38 - Wa'ad, Khiyar and Tahawwut	1 January 2022

FAS 37 -Financial Reporting by Waqf Institutions

The objective of this standard is to establish principles of financial reporting by Waqfs institutions, which are established and operated in line with Shari'ah principles and rules. This standard shall be applicable on all type of Waqf institutions and other institutions constituted on the concept of Waqf, and operating in line with Shari'ah principles and rules, irrespective of their legal status, including virtual Waqf institutions.

The application of FAS 37 did not have a material impact on these interim condensed consolidated financial statements.

FAS 38 Wa'ad, Khiyar and Tahawwut

The objective of this standard is to prescribe the appropriate accounting and reporting principles for recognition, measurement and disclosures in relation to Shari'ah compliant Wa'ad (promise), Khiyar (option) and Tahawwut (hedging) arrangements for Islamic financial institutions (IFIs). This standard applies to accounting and financial reporting for all transactions involving Wa'ad, Khiyar or Tahawwut arrangements carried out under Shari'ah principles and rules, as provided in this standard.

The standard classifies Wa'ad and Khiyar arrangements into the following categories and provides related accounting and disclosure requirements:

- a. Ancillary Wa'ad or Khiyar – where the Wa'ad or Khiyar is associated with an Islamic finance arrangement, and is related to the structure of the transaction, e.g. a promise by the purchase orderer attached to a Murabaha transaction or a promise to purchase after the end of the Ijarah term in an Ijarah Muntahia Bittamleek transaction or option of seeing in a sale transaction;
- b. Product Wa'ad or Khiyar – where the Wa'ad or Khiyar is used as a stand-alone Islamic finance arrangement in itself e.g. foreign exchange forward promise or an option of cancellation of sale with Arboun. This may, inter-alia, take the following forms, in line with Shari'ah principles and rules:
 - i. Promise to make a sale contract, or promise to enter into an Ijarah transactions;
 - ii. Option for revocation of sale contract – with or without Arboun;
 - iii. Re-purchase option (RePO) – through a permissible Wa'ad or Khiyar; and
 - iv. Tahawwut arrangement – whereby a Wa'ad or Khiyar, or a series of Wa'ad and Khiyar is used for hedging arrangement.

The application of FAS 38 did not have a material impact on these interim condensed consolidated financial statements.

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's interim condensed consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

<i>Topic</i>	<i>Effective date</i>
FAS 1 (Revised 2021) - General Presentation and Disclosures in the Financial Statements	1 January 2023
FAS 39 - Financial Reporting for Zakah	1 January 2023
FAS 40 - Financial Reporting for Islamic Finance Windows	1 January 2023

On the basis of data published up to the date of issuance of these interim condensed consolidated financial statements, Turkey is expected to be a hyper-inflationary economy for the accounting period ending on 30 June 2022. Consequently, this would require application of IAS 29 Financial Reporting in Hyperinflationary Economies, that requires purchasing power adjustment to the carrying values of the non-monetary assets and liabilities and to items in the consolidated statement of income with respect to subsidiaries of the Group operating in Turkey.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)**Significant accounting policies (continued)****Standards issued but not yet effective (continued)****FAS 1 (Revised 2021) - General Presentation and Disclosures in the Financial Statements**

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

This standard shall be effective for the financial periods beginning on or after 1 January 2023 with early adoption permitted. The Group is currently assessing of the new standard to the interim condensed consolidated financial statements.

FAS 39 - Financial Reporting for Zakah

AAOIFI has issued FAS 39 in 2021. This standard improves upon and supersedes FAS 9 on “Zakah” and aims at setting out the accounting treatment of Zakah in the books of the institutions, including the presentation and disclosure by an Islamic financial institution. The accounting and financial reporting requirements such as recognition, presentation and disclosure requirements of this standard shall apply to institutions that are obliged to pay Zakah on behalf of certain or all stakeholders. Institutions that are not obliged to pay Zakah shall apply the disclosure requirements of this standard for certain or all stakeholders, as relevant.

This standard shall be effective for the financial periods beginning on or after 1 January 2023 with early adoption permitted. The Group is currently assessing of the new standard to the interim condensed consolidated financial statements.

FAS 40 - Financial Reporting for Islamic Finance Windows

AAOIFI has issued FAS 40 in 2021. The objective of this revised standard is to establish financial reporting requirements for Islamic finance windows and applicable to all conventional financial institutions providing Islamic financial services through an Islamic finance window. This standard improves upon and supersedes FAS 18 “Islamic Financial Services Offered by Conventional Financial Institutions”.

This standard shall be effective for the financial periods beginning on or after 1 January 2023 with early adoption permitted. The Group is currently assessing of the new standard to the interim condensed consolidated financial statements.

Basis of consolidation

The Group's principal subsidiaries as at 31 March 2022 are as below:

<i>Name</i>	<i>Principal Business Activity</i>	<i>Country of Incorporation</i>	<i>% Effective shareholding</i>	
			<i>31 March 2022</i>	<i>31 December 2021</i>
QInvest Portfoy Yonetimi A.S.	Asset Management	Turkey	100%	100%
Verdi Luxembourg S.a.r.l.	Investment in real estate	Luxembourg	100%	100%
Q Liquidity Limited	Placements	Cayman Islands	100%	100%
QInvest Holding Mauritius	Investment holding company	Mauritius	100%	100%
QInvest IBFin L.L.C	To provide financing facility	State of Qatar (QFC)	100%	100%
QInvest Euro PE QFC L.L.C	Investment holding company	State of Qatar (QFC)	100%	100%
Q Tomahawk L.L.C	Investment holding company	Cayman Islands	100%	100%
QInvest Refin L.L.C	To provide financing facility	State of Qatar (QFC)	100%	100%
Q Alloy S.a.r.l	To provide financing facility	Luxembourg	100%	100%
Q Magnolia L.L.C	Investment in real estate	Cayman Island	100%	100%
BOH L.L.C	Investment holding company	State of Qatar (QFC)	100%	100%
Alloy Holdco L.L.C	Investment holding company	State of Qatar (QFC)	100%	100%
QInvest RE-Equity L.L.C	Investment holding company	State of Qatar (QFC)	100%	100%
Admiral Holdco L.L.C	Holding company	State of Qatar (QFC)	100%	100%
Admiral Operations Limited	Vessel operating company	Cayman Islands	100%	100%

3 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the interim condensed consolidated financial statements for the year ended 31 December 2021.

4 FINANCING ASSETS

	<i>31 March 2022 (Reviewed) US\$'000</i>	<i>31 December 2021 (Audited) US\$ '000</i>
Murabaha - Fair value through income statement	<u>120,183</u>	<u>118,768</u>

5 INVESTMENT SECURITIES

	<i>31 March 2022 (Reviewed) US\$'000</i>	<i>31 December 2021 (Audited) US\$ '000</i>
Equity		
Fair value through income statement	366,859	297,392
Fair value through equity	<u>377,711</u>	<u>464,680</u>
	<u>744,570</u>	<u>762,072</u>
Sukuk and other debt instruments		
Fair value through income statement	<u>3,151</u>	<u>3,820</u>
Amortised cost	23,638	18,601
Less: Allowance for impairment	<u>(17,533)</u>	<u>(17,521)</u>
	<u>6,105</u>	<u>1,080</u>
	<u><u>753,826</u></u>	<u><u>766,972</u></u>

Note:

- (i) The Group has custody of investment securities amounting to US\$ 341million as at 31 March 2022 (2021: US\$ 394 million) with the financial institutions that provided profit bearing financial liabilities to the subsidiaries of the Group.

6 FINANCING LIABILITIES

Financing liabilities consist of Murabaha financing facilities availed by QInvest amounting to US\$ 707million (2021: US\$ 354 million) and other financing facilities obtained by the Group entities amounting to US\$ 219million (2021:US\$ 245 million). Financing liabilities availed by the Group entities are non-recourse to QInvest and have recourse limited to respective entity's assets.

7 FAIR VALUE HIERARCHY OF ASSETS AND LIABILITIES**Fair value hierarchy**

The Group uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

7 FAIR VALUE HIERARCHY OF ASSETS AND LIABILITIES (CONTINUED)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2022:

	<i>Fair value US\$'000</i>	<i>Fair value measurement using</i>		
		<i>Quoted prices in active markets (Level 1) US\$'000</i>	<i>Significant observable inputs (Level 2) US\$'000</i>	<i>Significant unobservable inputs (Level 3) US\$'000</i>
Assets				
Fair value through income statement investments	370,010	2,900	60,011	307,099
Fair value through income statement financing assets	120,183	-	-	120,183
Fair value through equity investments	377,711	131,014	188,952	57,745
Derivative instruments	35,159	-	35,159	-
Investment in real estates	109,722	-	-	109,722
Total	1,012,785	133,914	284,122	594,749
Liabilities				
Derivative instruments	42	-	42	-

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 December 2021:

	<i>Fair value US\$'000</i>	<i>Fair value measurement using</i>		
		<i>Quoted prices in active markets (Level 1) US\$'000</i>	<i>Significant observable inputs (Level 2) US\$'000</i>	<i>Significant unobservable inputs (Level 3) US\$'000</i>
Assets				
Fair value through income statement investments	305,032	7,138	58,041	239,853
Fair value through income statement financing assets	118,768	-	-	118,768
Fair value through equity investments	464,680	196,393	208,159	60,128
Derivative instruments	11,870	-	11,870	-
Investment in real estates	111,569	-	-	111,569
Total	1,011,919	203,531	278,070	530,318
Liabilities				
Derivative instruments	1,853	-	1,853	-

During the three-month period ended 31 March 2022, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

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 2021.

8 NET INCOME / (LOSS) FROM FINANCING ASSETS

	<i>Three-month period ended</i>	
	<i>31 March 2022 (Reviewed) US\$'000</i>	<i>31 March 2021 (Reviewed) US\$'000</i>
Income from financing assets	3,576	2,666
Net fair value changes on financing assets	(2,161)	(7,279)
	1,415	(4,613)

9 NET GAIN FROM INVESTMENTS

		<i>Three-month period ended</i>	
		<i>31 March 2022 (Reviewed) US\$'000</i>	<i>31 March 2021 (Reviewed) US\$'000</i>
	<i>Note</i>		
Net income from financial investments	9.1	9,327	6,925
Net income from investments in real estates		1,614	1,501
		10,941	8,426

9.1 Net income from financial investments

	<i>Three-month period ended</i>	
	<i>31 March 2022 (Reviewed) US\$'000</i>	<i>31 March 2021 (Reviewed) US\$'000</i>
Net income from investments carried at fair value through income statement	3,927	1,142
Income from investments carried at fair value through equity	5,363	5,060
Net income from investments carried at amortized cost	37	167
Net gain from derivative financial instruments	-	556
	9,327	6,925

10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following balances with original maturity of less than three months.

	<i>31 March 2022 (Reviewed) US\$'000</i>	<i>31 March 2021 (Reviewed) US\$'000</i>
Cash and bank balances	285,448	12,373
Short-term placements (original maturity of less than three months)	137,754	33,081
	423,202	45,454
Less: restricted bank balances*	(192,582)	-
Cash and cash equivalents	230,620	45,454

*The restricted bank balances include the manager's cheques issued for the acquisition of a residential property and two parcels of lands (Note 18).

11 SHARE CAPITAL

In 2020, the Board of Directors of the Bank resolved to acquire, by way of a tender offer to the Bank's shareholders (the Tender Offer), 80,000,000 shares in the Bank at a price of US\$0.58 per share.

In January 2021, the Bank bought back 61,212,590 shares at a price of US\$0.58 per share based on the tender offers received from the shareholders. The Treasury Shares were cancelled, and the Issued Share Capital of the Bank was reduced by US\$ 61,212,590 representing 61,212,590 shares of US\$1 per share. Related gain, net of transaction cost, was recognised in the interim condensed consolidated statement of changes in equity.

In October 2021, the Bank bought back 7,818,428 shares at a price of US\$0.70 per share based on the tender offers received from the shareholders. The Treasury shares were cancelled, and the Issued Share Capital of the Bank was reduced by US\$ 7,818,428 representing 7,818,428 shares of US\$ 1 per share.

The total gain related to the shares bought back, net of transaction cost is recognized in the consolidated statement of changes in equity for the year ended 31 December 2021.

12 OTHER RESERVES

Other reserves comprise of followings:

12.1 Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the interim condensed financial statements of foreign operations.

12.2 Fair value reserve

The investments fair value reserve includes the cumulative net change in the fair value of fair value through equity investments, until the investment is derecognized. This also includes the Bank's share of the fair value changes on fair value through equity investments of an associate.

12.3 Hedging reserves

The hedging reserves are used to record gains or losses on derivatives that are designated and qualify as net investment in foreign operations hedges and cash flow hedges that are recognised in the reserves. Amounts are reclassified to income statement when the associated hedged transaction affects income statement.

13 CONTINGENT LIABILITIES AND COMMITMENTS

	<i>31 March 2022 (Reviewed) US\$'000</i>	<i>31 December 2021 (Audited) US\$'000</i>
Investment commitments	<u>129,808</u>	<u>58,685</u>
Forward foreign exchange contracts	<u>194,783</u>	<u>182,755</u>
Profit rate swaps and other derivatives	<u>580,000</u>	<u>630,000</u>
Other contingent liabilities	<u>23,733</u>	<u>24,130</u>
Unutilised financing commitments	<u>-</u>	<u>1,164</u>

14 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 entities over which the Group exercises significant influence, major shareholders, directors and key management personnel of the Group.

The following table provides the total amount of transactions that have been entered into with related parties during the three-month periods ended 31 March 2022 and 31 March 2021, as well as balances with related parties as at 31 March 2022 and 31 December 2021:

	<i>31 March 2022 (Reviewed) US\$'000</i>	<i>31 December 2021 (Audited) US\$'000</i>
Interim condensed statement of financial position:		
Placements and bank balances	53,264	41,668
Other assets	243	169
Off-balance sheet items:		
Forward foreign exchange contracts outstanding	148,179	141,149
Restricted investment accounts	45,467	36,826
	<i>Three-month period ended</i>	
	<i>31 March 2022 (Reviewed) US\$'000</i>	<i>31 March 2021 (Reviewed) US\$'000</i>
Interim condensed statement of income:		
Fee and commission income	72	75
Placement income	46	12

Key management personnel of the Group comprise the Board of Directors and key members of management having authority and responsibility for planning, controlling and directing the activities of the Group.

Compensation of key management personnel:

	<i>Three-month period ended</i>	
	<i>31 March 2022 (Reviewed) US\$'000</i>	<i>31 March 2021 (Reviewed) US\$'000</i>
Salaries and other benefits	1,007	1,217

15 ASSETS AND LIABILITIES HELD FOR SALE

	<i>31 March 2022 (Reviewed) US\$'000</i>	<i>31 December 2021 (Audited) US\$'000</i>
Assets held for sale	-	63,486
Liabilities held for sale	-	(41,404)

During the period, the Group disposed of the repossessed collaterals classified as non-current assets held for sale for a consideration of US\$ 25.3 million. Consequently, a net total gain of US\$ 3.09 million was recognised in the interim condensed consolidated statement of income. As a part of this transaction, Non-controlling interest amounting to US\$3.2 million has been settled during the period.

16 IMPACT OF COVID-19

The coronavirus (“COVID-19”) pandemic has spread across various geographies globally, causing disruption to business and economic activities. COVID-19 has brought uncertainties in the global economic environment.

Group is closely monitoring the situation and has activated its business continuity planning and other risk management practices to manage the potential business disruption COVID-19 outbreak may have on its operations and financial performance. The uncertainties caused by COVID-19 have required the Group to reassess and update the inputs and assumptions where possible (i.e. estimated cashflows, discount rates, cap rates etc.) used by the Group for the determination of fair valuation of its assets recorded at fair value based on the information available as at 31 March 2022.

The Group considered the potential impacts of the current economic volatility in determining the reported amounts of the Group’s financial and non-financial assets as at 31 March 2022. However, market remains volatile and the recorded amounts remain sensitive to market fluctuations.

17 IMPACT OF RUSSIA-UKRAINE CONFLICT

The evolving Russia-Ukraine situation does not impact Qinvest L.L.C directly, as it has no operating presence in those countries; exposures to both countries are negligible and no meaningful additional risk provisioning is currently anticipated in this context. Indirect effects, such as financial market volatility, sanctions-related knock-on effects investors and joint venture partners cannot be disregarded. In worse economic situation impact due to this incident might have a significant impact on the Qinvest L.L.C interim condensed consolidated financial position and the performance. Situation is still evolving, and the management is currently assessing whether there are any potential impact on the interim condensed consolidated financial position and the performance.

18 SUBSEQUENT EVENTS

In April 2022, the Group completed the acquisition of a residential compound and two parcels of land for a total consideration of US\$ 192 million and settled through manager’s cheques classified under restricted bank balances. (Note 10).