



ONE YEAR ON

# Annual Report

20  
25



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



His Highness  
**Sheikh Hamad bin Khalifa Al-Thani**  
Father Amir



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# Board of Directors Report and Chairman's Statement

## Esteemed Shareholders,

It is with great honor that I present the Board of Directors' report for Al Rayan Bank QPSC ("ARB") for the fiscal year ending December 31, 2025.

The year 2025 witnessed steady growth across global financial markets, tempered by moderate volatility arising from inflationary pressures, monetary policy adjustments, and geopolitical developments. Within this environment, the GCC region continued to demonstrate resilience, supported by robust energy revenues, diversification initiatives, and strong fiscal positions.

Qatar's economy recorded solid expansion, driven by sustained investment in the hydrocarbon sector, diversification programs under the National Vision 2030, and the strong performance of the financial services industry. Al Rayan Bank's strategy remained closely aligned with these national priorities, ensuring sustainable growth while adhering to evolving regulatory frameworks.



In 2025, the Board continued to oversee the effective implementation of the strategy that aims to position the Bank as one of the leading Islamic financial institutions by enhancing its customer-centric approach, promoting Fintech innovations, optimizing operations, and driving disciplined growth. To accelerate execution, the Board established a dedicated steering committee in 2025, ensuring that our value proposition, business objectives, and operating model remain responsive to market dynamics and evolving customer expectations.

The Bank maintained strong credit ratings of A2 from Moody's and A/F1 from Fitch, both with stable outlooks. These ratings reflect the Bank's solid financial position and the confidence placed in its governance and risk management practices.

In 2025, ARB successfully issued its debut three-year Green Sukuk, raising QAR 500 million. This landmark transaction underscores our commitment to sustainability and represents a pivotal step in our ESG journey. Through Shariah-compliant innovation, ARB is reinforcing its role as a responsible, forward-looking institution that creates long-term value.

Regarding the financial performance for the year concluding on 31 December 2025, we are pleased to report a net profit before tax of QAR 1,582 million, showcasing an increase of 1.4% compared to preceding year. Our total income, net of finance

expense for 2025 reached QAR 7.8 billion compared to QAR 8.5 billion last year. Total Assets at QAR 181.3 billion, Financing Assets at QAR 118.2 billion, and Customer Deposits at QAR 111.1 billion as at 31 December 2025. Our investments increased by 4.9% to QAR 46.3 billion. The Bank grew its stage 3 coverage ratio to 67.9% (up from 62.3% as at 31 Dec 2024). Net impairment charge decreased by 21.5% to 818 million. The Bank managed to decrease its non-performing financing (NPF) to 5.11% at the end of 2025. Earnings per share for 2025 is QAR 0.138, as compared to QAR 0.157 in 2024. The Bank's capital adequacy ratio also exceeded regulatory requirements, closing at 25.31%. The accounting and profit distribution policies adopted in 2025 remained steady, with the basis of evaluation and estimates being the same.

As previously, AlRayan Bank prepared its financial statements following Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions and relevant Qatar Central Bank instructions. The Board of Directors has now recommended that the Net Profit be distributed in line with the proposed format in the audited financial statements and that a portion of the net profits be distributed in cash dividends to shareholders at the ratio of 11% of the par value of the share, i.e. at the rate of QAR 0.11 per share.

We provide you with the full annual report for the fiscal year 2025, including the annual corporate governance report and the audited final financial statements, together with the external auditor's reports, to view more details and additional disclosures required by laws and regulations.

Looking ahead, AlRayan Bank will focus on implementing the new strategy and achieving its desired outcomes, including upgrading its core banking systems and advancing digital transformation, deepening fintech collaborations to enhance customer experience, strengthening

compliance with governance regulations, and continuing to support Qatar's National Vision 2030 through innovation, and sustainable growth.

Lastly, I extend my deepest gratitude to His Highness the Emir of Qatar, Sheikh Tamim bin Hamad Al Thani, for his visionary leadership and unwavering commitment to the prosperity of our nation. I would like to close by thanking our regulators, customers, partners, people and shareholders for their continued commitment.



**Mohamed Bin Hamad Bin Qassim Al Thani**

Chairman of Board of Directors

# Group Chief Executive Officer Foreword



Dear Shareholders,

Trust is built and sustained through consistent achievement. In 2025, amid a dynamic industry landscape, AlRayan Bank remained committed to responsible leadership, steady performance, and prudent risk management. Our strategy continues to be reflected through clear actions and tangible results.

## Customer Experience, Technological Advancement and Strategic Modernization

Throughout 2025, we worked to enhance customer journeys, focusing on increasing service consistency, convenience, reliability, and responsiveness. In alignment with our LEAD strategy, AlRayan Bank implemented its core priorities across all divisions, reinforcing our commitment to innovation and customer-centricity. A major milestone is that we now offer a market-leading digital app, which has set a new standard for user experience and convenience. We have deployed digital kiosks nationwide, and improved our online services for corporate clients, providing stronger and more responsive digital solutions.

We also began leveraging artificial intelligence (AI) within our operations, laying the groundwork for greater efficiency and supporting future business growth. Looking ahead, we anticipate that AI-driven solutions will further bolster our operational agility, improve risk management, and enable deeper levels of customer personalization. These advancements

are expected to position us for sustained competitive strength in an evolving financial landscape.

Concurrently, we are advancing with core modernization efforts, transforming AlRayan Bank into a modern Islamic financial institution. Our approach integrates Sharia principles with cutting-edge technologies and contemporary capabilities, ensuring that we remain at the forefront of ethical and innovative banking for our customers.

Our goal is to make banking more seamless for our clients and more efficient for the Bank by reducing friction, shortening response times, and raising service quality across every interaction.

## Financial Performance

For the year ended 31 December 2025, the Group delivered stable results. Net profit before tax stood at QAR 1,582 million, a 1.4% increase year-on-year. Total assets reached QAR 181.3 billion, a testament to balanced growth and careful portfolio management. With a capital adequacy ratio of 25.31%, we are well placed to support our strategic goals and create lasting value.

## ESG and Sustainability

In 2025, we moved from planning to action in ESG, strengthening governance, embedding sustainability practices throughout our operations, and expanding responsible finance capacity.

We advanced environmental initiatives in line with national goals, including partnerships and

awareness campaigns that encourage environmental stewardship. Additionally, we improved our methods for measuring and managing the carbon footprint of our financing and investment portfolios through involvement in global initiatives.

We continued to invest in green and sustainable sukuk, launched a Green Deposit, and established a Sustainable Finance Framework to guide product development that aligns with ESG principles. Internally, we encouraged digital transactions to minimize paper use, integrated sustainability considerations into supplier relations, and continued responsible management, highlighted by environmental certification at our headquarters.

### Community Impact and Social Responsibility

In 2025, our community programs supported wellbeing, inclusion, and resilience, with particular focus on health awareness and quality-of-life initiatives. We also advanced projects that promote healthy lifestyles, prevention, and early intervention.

### National Talent and Qatarization

We are committed to attracting, developing, and retaining Qatari talent as a key strategic priority. In 2025, our Qatarization rate reached 33%, with 192 Qatari employees. Employees completed over twenty thousand training hours, and we maintained strong partnerships with universities and employment platforms, offering fifty-five internships and graduate placements to support the next generation of Qatari professionals. By focusing on these strategies and frameworks, AlRayan Bank can effectively assemble a highly motivated and upskilled workforce, ensuring that the investment in people internally, and within the broader student community, leads to sustained growth and success.

### Trust, Resilience, and Security

In 2025, AlRayan Bank achieved compliance with the National Information Assurance (NIA) standard and received certification from the National Cyber

Security Agency. These milestones reinforce our commitment to safeguarding customer data and ensuring the integrity of our digital infrastructure.

### Recognition and Awards

During 2025, the Bank was recognized for its efforts, receiving the following awards:

- 2025 Qatar CSR Summit: Best CSR Initiative in the Financial and Banking Sector (Diamond Sponsor).
- Euromoney: Best Bank for Sustainability.
- World Business Outlook: Best Sharia-Compliant Bank; Leading Islamic Bank in Qatar; Most Innovative Islamic Bank in Qatar.
- Global Business Magazine: Best Sharia-Compliant Banking Solutions.
- International Business: Best Bank in CSR in Qatar.
- International Banker: Best Innovation in Retail Banking Services; Best Islamic Bank in Qatar.
- Forbes Middle East rankings (2025): 21st on the Top 30 Most Valuable Banks list, and 50th on the Top 100 Listed Companies in the Middle East list.

### Outlook

Trust endures when leadership is proven through consistent delivery, so we will keep Leading Forward. Our focus is on service quality, digital advancement, operational excellence and prudent growth under strong governance. We remain committed to building a strong financial institution across consumer, wholesale, advisory, and asset management.

We thank our shareholders, customers, and colleagues for their continued support and dedication.

Sincerely,



**Fahad Bin Abdulla Al Khalifa**  
Group Chief Executive Officer



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## AlRayan Bank Overview

**Our heritage provides  
structure, clarity, and  
direction.**

This year, it became the framework for innovation  
— shaping a modern Islamic bank built on trust.



### Profile

- Islamic bank incorporated in Qatar on 4 January 2006 and licensed by the Qatar Central Bank
- Classified as a DSIB (Domestic Systemically Important Bank)
- Legal merger completed on 1 December 2021 with Al Khaliji commercial Bank P.Q.S.C



### Business Lines

- Corporate Banking & SME
- Personal Banking (Retail, Premium & Private Banking)
- Treasury and Financial Institutions
- Asset Management and Financial Advisory
- International Operations (UK, France and U.A.E)



### Market Share

- 2<sup>nd</sup> largest listed Islamic bank in Qatar by total assets (31 % market share)\*
- 3<sup>rd</sup> largest listed Qatari bank by total loans (8.3% market share)\*



### Public Listing

- Ordinary shares listed on the Qatar Stock Exchange
- 3<sup>rd</sup> largest bank in Qatar by market capitalization (QAR 20.40 b)\*\*
- Total ordinary shares issued 9.3 billion



### Rating

- AlRayan Bank credit rating re-affirmed at A2/P1 Moody's and A/F1 Fitch Stable outlook
- Moody's baseline credit assessment: baa3



### Ownership Structure

- Diversified shareholders base and strong institutional holding
- Government and Government-related entities (GREs) hold approx. 33.90% of shares
- Qatari Institutional investors hold approx. 11.87% of shares. Rest of 54.23% is owned by Institutional & retail investor from Qatar and other countries.
- Major shareholders owning directly or indirectly 5% or more of capital are: Qatar Investment Authority (20.46%) Qatar Armed Forces Investment Portfolio (7.51%), Qatar Pension Fund (5.70%)



### Share overview

- **AlRayan Bank shares** listed on the Qatar Stock Exchange
- **Symbol:** MARK
- **ISIN:** QA000A0M8VM3
- **Market cap:** QAR 20.40 bn
- **Valuation multiples:** P/E 13.7; P/B 0.83
- **LEI:** 254900KFL51VLXABR231

\*Source: Published Financial statement & QCB BS- latest available

\*\*Source: Qatar exchange, closing price as of 31 December 2025

# Key Financial Highlights

as of 31 December 2025

**118** QAR billion

**Financing Assets**

**1,582** QAR million

**Net Profit before tax\***

**111** QAR billion

**Customer Deposit**

**0.138** QAR

**Earnings per Share**

**24.5** QAR billion

**Shareholders' Equity**

**181** QAR billion

**Total Assets**

**25.31%**

**Capital Adequacy Ratio**

**7,846** QAR million

**Total Income,  
net of Finance Expense**

\*As per Qatar Council of Ministers Decision No. (2) of 2026 concerning the implementation framework of the Global and Domestic Minimum Taxes, ARB is subject to the tax for fiscal year 2025. This decision was issued subsequent to the initial announcement of 2025 results. Accordingly, net profit after tax for the year stands at QAR 1.3 billion.

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## Strategic Report

### Innovation Inspired By Tradition.

Our digital evolution reflects the same precision and harmony found in thoughtful design. Technology becomes our new craft — elevating service, access, and experience.



## 5.1 Our “LEAD” strategy

### Overview

In the first quarter of 2024, AlRayan Bank Board of Directors (hereinafter ‘the Board’) appointed a globally renowned strategy consulting house with a clear direction to set an ambitious strategy. The Executive Management commenced with the execution of the strategy as of the second quarter.

The three-year strategy for AlRayan Bank is named LEAD and it is based on four pillars: Leaders in Customer Centricity, Execution Excellence, Accelerated Disciplined Growth and Drive Towards One Bank Goals.

The vision of the Bank is to become “The leading Islamic bank and partner of choice for clients, investors, and employees alike.”

LEAD spans across three years from 2024 to 2027, aims to position the Bank as the leading Islamic financial institution by enhancing its customer-centric approach, optimizing operations, and driving disciplined growth. The LEAD strategy aligns with Qatar’s Third Financial Sector Strategic Plan and QCB Financial Sector Transformation directives. The strategy focuses on embedding Climate and ESG risk across AlRayan Bank’s operations with a focus on adopting quick wins and integrating ESG into strategic planning and risk management.

The strategy focuses on several key initiatives across different business lines and operational aspects.

### Key Strategic Pillars

#### 1. Leaders in Customer Centricity

- Target and deepen profitable corporate relationships: Grow corporate banking with tailored value propositions and account-level strategies.
- Thrive in and upscale personal banking: Focus on Private and Premier Banking through better segmentation and redefined value propositions and improve Retail Banking by targeting high-potential clients.
- Optimize client experience: Enhance client journeys, transform branch networks, and upgrade digital channels.

#### 2. Execution Excellence

- Modernize IT infrastructure: Deploy future ready technologies and accelerate IT strategy implementation, strengthen data management, and improve decision-making capabilities.
- Optimize internal processes: Re-engineer processes, enhance cost allocation, and unlock organizational efficiencies.
- Strengthen capabilities: Build new internal capabilities, particularly in data, technology, products, and treasury.

#### 3. Accelerated Disciplined Growth

- Improve financial health: Focus on funding optimization, grow new sources of revenue, and instill pricing discipline.
- Strengthen frontline capabilities: Acquire leading banking capabilities and adopt a relentless focus on customer requirements and needs.
- Unlock group synergies: Work as one international group to enhance collaboration and optimize market presence.

#### 4. Drive Towards One-Bank Goals

- Become a top-3 banking employer of choice in Qatar and attract best in class talent in Qatar with a strong focus on developing and promoting Qatari talent.
- Performance-driven performance management: Prioritize incentive metrics within a consistent performance assessment framework, linking performance to payout effectively.

#### Key Financial Targets for 2027

- Return on Equity (ROE): Achieve double digit ROE by 2027
- Net Profit Margin (NPM): Significantly improve NPM by 2027
- Cost-to-Income Ratio: Optimize cost-to-income ratio by 2027
- Asset Growth: Achieve a healthy and disciplined compounded annual asset growth rate

#### Key Initiatives

The Bank’s strategy encompasses 33 distinct initiatives organized under four strategic pillars.

These initiatives span a wide range of priorities, including upgrading digital channels, enhancing client journeys, optimizing cost allocation, and strengthening data management. Each initiative is supported by a detailed charter outlining scope, stakeholders, timelines, and associated risks, ensuring disciplined execution and accountability.

Progress to date has been tangible and impactful. Notable achievements include the launch of a new digital trade platform and corporate internet banking, the introduction of market-leading features on the mobile app, and the rollout of new products, services, digital customer journeys, and campaigns. In addition, the Bank has implemented a new performance management system, a cornerstone of the strategy designed to embed a performance-driven culture across the organization.

AIRayan Bank's three-year strategy is an extensive transformation program designed to achieve its vision of becoming the leading Islamic bank in Qatar. By focusing on customer centricity, execution excellence, disciplined growth, and a unified bank culture, the bank aims to deliver sustainable value to its clients, employees, shareholders, and the broader Qatari society.

## 5.2 Transformation Office and Digital Transformation

As part of its commitment to delivering leading performance and embracing the future of banking, AIRayan Bank established a Transformation Division reporting directly to the CEO. The Division's mandate focuses on four strategic priorities:

1. Overseeing the delivery of the Bank's strategy and digital/technology agenda.
2. Transforming the Bank into a data-driven organization.
3. Enhancing customer experience through innovation.
4. Developing new products, services, campaigns, and managing alternative/digital channels.

### Transformation Management

The Transformation Management Office (TMO), within the Division, is responsible for overseeing the execution of the strategy. It reports progress to

the Transformation Oversight Executive Committee chaired by the CEO and provides quarterly updates to the Board. Execution is well underway, with tangible results already achieved. The TMO has also introduced and embedded Agile delivery principles, with several projects successfully delivered using this approach, ensuring faster, more adaptive, and customer-focused outcomes.

### Customer Experience

AIRayan Bank has adopted a digital-first customer experience model, enabling most new journeys through self-service capabilities and straight-through digital processing. In 2025, the Bank introduced numerous enhancements designed to give customers greater control over their most critical transactions. Service levels improved by 20–30% year-on-year, signaling increased customer satisfaction, and the branch network continues to rank among the best performing in Qatar.

Key initiatives included:

- **Card Replacement and Issuance:** Digital issuance of Eqtisadi, Himyan, and Debit cards via the AIRayan GO app and self-service kiosks, eliminating branch visits and reducing operational costs.
- **Automated Card Renewal:** Renewal through kiosks for Consumer and Premier customers, including automatic renewals for Eqtisadi cardholders, enhancing convenience and profitability.
- **Cardless ATM Access:** Contactless, tokenized entry via Apple Pay and Google Pay, making AIRayan the only bank in Qatar to offer a fully contactless ATM network.
- **ECertificates and Letters:** Full automation of customer letters and certificates for both personal and wholesale banking clients, providing 24/7 access and reducing branch traffic.

To expand its phygital footprint, the Bank launched four strategically located AIRayan GO Self-Service Zones in DFC Mall, Vendome Mall, AIRayan Tower Lusail, and the CRing Road Branch, shifting substantial card and cheque issuance volumes to kiosks.

### Digital Transformation

In 2025, AlRayan Bank made significant strides in digital transformation, marking a major growth year for its digital channels. The **AlRayan GO retail banking app** was continuously enhanced throughout the year with new features and an improved design experience. Key developments included:

- Digital issuance of **Eqtisadi, Himyan, and Debit cards**, with full lifecycle management, replacement, transaction controls, and spending limits.
- Launch of a Loan Origination System via mobile, enabling customers to apply and track financing seamlessly.
- Introduction of an automated process for instant, temporary credit card limit increases using advanced decisionmaking tools.
- Deployment of an automated system for postponing personal and vehicle finance installments, reducing manual intervention, lowering costs, and improving customer satisfaction.
- A redesigned dashboard interface offering a singlewindow experience, enabling clients to complete up to 90% of their banking needs digitally.

The app's simplicity, intuitive navigation, and alignment with top local applications have set a new benchmark in Qatar for customer experience, privacy, and personalization.

For corporate clients, AlRayan Bank launched two major platforms in 2025:

- A new Trade Finance portal (August 2025).
- The AlRayan CorpNet digital platform (November 2025), designed to serve business customers with advanced digital capabilities.

Enhancements included:

- 29 new customer journeys, such as online issuance of letters and certificates, digital card lifecycle management, and soft tokens for multifactor authentication.
- An APIbased HosttoHost (H2H) integration solution, tailored for corporate clients, with major projects underway with leading organizations.

Together, these platforms enable the majority of financial and nonfinancial transactions to be performed digitally, significantly improving efficiency, convenience, and client satisfaction.

### Products and Innovation

In 2025, AlRayan Bank introduced a wide range of innovative products and marketfirst campaigns, reinforcing its position as a leading Islamic financial institution and enhancing value for both retail and corporate clients. Key launches included:

- Corporate Solutions: Himyan Debit and Prepaid cards for corporate clients, Visa Commercial Pay (virtual account payable solution), and an ecommerce payment gateway tailored for wholesale banking customers.
- Premium and Retail Cards: The invitationonly Al Qimma Visa Infinite Privilege Credit Card, Visa Installment Payment solution via AlRayan POS network, and the Avios Loyalty Program for Himyan cards. Enhancements also included Visa Saudi hotel discounts, cardlinked offers with Qatar Airways Privilege Club, and exclusive privileges such as VIP lounge access and shopping experiences at Galeries Lafayette Paris.
- Consumer Finance and Savings: Launch of the Home Finance structured payment plan, City Escape Home Finance proposition, Retiree Finance in line with GRSIA guidelines, Green Vehicle Finance with BYD, Al Tijori Savings Account, and Pockets—a goalbased savings account available through AlRayan GO.
- Sustainable Finance: Introduction of Shariahcompliant sustainable financing propositions, supporting ESG objectives and responsible growth.
- Campaigns and Promotions: Multiple spendandwin campaigns (London and Europe trips), international spend promotions in collaboration with Qatar Airways, exclusive travel discounts of up to 10% on hotels and flights, backtoschool offers, and bonus Avios campaigns for both existing and new cobrand card customers.

To further strengthen its card proposition, AlRayan Bank expanded merchant discount relationships and enhanced the AlRayan Rewards app, now offering discounts across thousands of local and international outlets.

Through the NEXT Innovation Lab, AlRayan signed partnerships to introduce Buy Now, Pay Later (BNPL) services, a nextgeneration tokenized digital payment platform for seamless and cost-effective remittances, and collaborations with local acquirers to expand digital payment solutions.

### Data and Analytics

In line with the Bank's strategy, the Transformation Division advanced its data and analytics agenda in 2025, leveraging data to strengthen decisionmaking, deepen customer insights, measure performance, and explore the potential of artificial intelligence. During the year, the Data & Analytics Department successfully launched new data governance standards aligned with leading international practices and established a dedicated Data Governance Forum, positioning data as a key strategic priority for the Bank. The Department also introduced enhanced management dashboards and a selfservice performance model, enabling greater transparency and accountability across the organization.

Importantly, 2025 marked the initiation of the Bank's first artificial intelligence proof of concept, reflecting AlRayan Bank's commitment to innovation and its ambition to harness advanced technologies to drive efficiency, customer value, and sustainable growth.

## 5.3 Business Lines

### Wholesale Banking

AlRayan Bank, one of the region's largest Shariacompliant banks, continues to build on its strong capital foundation and abundant liquidity. These strengths place the Bank in an advantageous position to accelerate Qatar's journey towards Vision 2030, leveraging its scale, diverse product range, and highly skilled workforce.

Wholesale Banking has long been a cornerstone of the Bank's success, consistently delivering strong performance and contributing significantly to profitability. It encompasses Corporate Banking and Small and Medium Enterprises (SMEs), both of which focus on their core specializations while crossselling the Bank's broader offerings. Beyond maintaining cash flow, AlRayan Bank provides expert advisory services, tailoring solutions to meet the unique needs of each client.

### Corporate Banking

In 2025, the Corporate Banking division strengthened relationships across government and private sectors, successfully onboarding new clients and diversifying its base. The team executed major transactions supporting national projects aligned with Qatar's vision, while ensuring optimal use of working capital financing and meeting corporate financing requirements.

### SME Banking

Aligned with the objectives of the Qatar National Vision 2030, AlRayan Bank continued to support local businesses and SMEs through bespoke solutions. In partnership with the Qatar Development Bank, the SME division financed entrepreneurs and startups, fostering innovation, future job skills, and projects aligned with the UN Sustainable Development Goals. The Bank also supported initiatives promoting youth innovation, women entrepreneurs, and social empowerment, reinforcing its role in driving inclusive growth.

### Sustainable Finance

In line with the Qatar Central Bank Sustainable Finance Framework and AlRayan Bank's own framework, the Bank launched Islamic Sustainable Finance to support green and social projects in renewable energy, energy efficiency, pollution prevention, education, and healthcare. In addition, sustainabilitylinked financing was introduced, tied to borrowers' predefined sustainability targets, helping corporates achieve their ESG strategies. Companies seeking to integrate environmental goals into their operations are encouraged to participate through green deposits and sustainabilitylinked financing.

### Innovative Corporate Solutions

To meet evolving client needs, AlRayan Bank introduced several innovative initiatives in 2025:

- **AlRayan CorpNet:** successfully launched with Finastra Corporate Channels, modernizing trade finance and cash management infrastructure. This nextgeneration platform delivers a unified, secure digital experience across all channels, mobilefirst capabilities, and faster access to funds while improving operational agility and customer satisfaction. By modernizing its trade finance and cash management infrastructure, AlRayan Bank is now equipped to launch new mobile-first capabilities, accelerate time-to-funds, and open new business opportunities while strengthening client retention.

## Leading Tomorrow

- Host-to-Host Integration client ERP via API layer: advanced API-based Host-to-Host (H2H) integration solution specifically designed for corporate clients. This integration enables seamless, direct communication between enterprise resource planning (ERP) systems and our API layer, allowing structured data to be exchanged in real time or near real time without manual intervention. This solution streamlines financial transaction operations, enhances data integrity, and offers reliable connectivity for our corporate partners.
- AIRayan Visa Commercial Pay: A comprehensive B2B solution simplifying supplier payments through virtual cards, automating reconciliation, and accelerating digital transformation in corporate payments. It addresses the challenges businesses face with payment management, such as manual processes and outdated systems that impact cash flow, by providing a single, integrated platform to manage all virtual payments.
- AIRayan HIMYAN Debit Card and Pre-Paid Card for Corporates: cost-effective solution for government payments, purchases, travel, entertainment, and departmental expenses. Himyan cards offer 24/7 access to both cash withdrawals and deposits, with instant credit to your account. Enhanced security features include CHIP & PIN technology, OTP verification, and secure transactions supported by SMS alerts. The card enables contactless payments and is accepted by online merchants in Qatar through the QPAY payment gateway. Combining value, flexibility, and robust security, cardholders can conveniently manage their cards—including blocking, replacement, and more—via AIRayan Bank CorpNet.
- AIRayan HIMYAN Salary Card Solution for Corporates: A secure payroll management platform with advanced security features, contactless payments, and seamless integration with CorpNet.
- AIRayan POS Installments Solution: allows your business to offer customers the option to break up their purchases into easy, predictable payments. This is specifically for customers using their Visa credit cards issued by participating banks that have enrolled their cardholders in the Visa Instalment service. The entire process happens seamlessly at your AIRayan POS terminal before the purchase is finalized. AIRayan

Visa Instalment solution makes this a reality for your business. It's a smarter way to sell and a smoother way for shoppers to pay.

- AIRayan E-Commerce Payment Gateway: A secure, integrated platform empowering merchants to accept online payments through their websites and Mobile Apps. with realtime transactions and robust fraud protection. Whether you're a local retailer or a growing brand, our platform is designed with your needs in mind so you can focus on what you do best—serving your customers—while we handle the rest.

### Dedicated Corporate Branches

AIRayan Bank has established several branches dedicated to serving its corporate clients. Details of our corporate branches are as follows:

Corporate Branches	Location	Contact
Salwa Road	Salwa Road	+974 44253200 / 44253201
C Ring Road	The Financial Square	+974 44253243

### Personal Banking (Retail, Premier & Private)

In 2025, Personal Banking remained actively engaged with clients and achieved growth across both the topline and bottomline. The year was marked by a dual focus on portfolio consolidation, through active customer retention management, and growth, driven by impactful campaigns and the successful closure of highvalue deals.

Customers welcomed the launch of the new AIRayan GO digital banking application, which delivered a modern, intuitive experience. Retail and Premier Banking introduced a series of seasonal offerings during Ramadan, Summer, and Qatar National Day, successfully expanding the customer base while growing both assets and liabilities. The home finance campaign, showcased at the Cityscape event, was particularly well received and contributed to strong portfolio growth.

Premier Banking deepened its market presence through targeted engagements with Qatar's largest employers, strengthening brand visibility and onboarding new clients. Meanwhile, the Business Operations Unit enhanced governance and oversight across Personal Banking, ensuring rigorous control of

customer files, eKYC processes, and rejection handling. These measures reduced errors, improved compliance, and elevated operational consistency.

The Bank’s call center underwent major infrastructure upgrades, including expanded physical space, additional workstations, and increased call capacity. Technology enhancements are being implemented to reduce wait times and prioritize critical requests, positioning the call center to support business expansion for the next three years.

AlRayan Bank’s physical footprint in Qatar includes 11 retail branches, 2 corporate branches, and 103 ATMs serving corporate, commercial, and personal segments. Of these, 11 ATMs feature multifunction capabilities accepting all QAR denominations from 1 to 500. The Bank also operates 2 bulk deposit machines and has expanded its selfservice kiosks network, with 4 kiosks already live and 2 more scheduled, bringing the total to 6. These kiosks provide convenient services such as prepaid card issuance, card replacement, and cheque book requests.

Looking ahead to 2026, Personal Banking will deliver an even stronger digital experience, offering topclass products and a compelling service proposition to meet the evolving financial needs of clients.

Retail Branches	Location	Contact
Al Hilal Branch	AlSharq Plaza Building-D Ring Road	+974 44253344
Al Shafi Branch	Al Rayyan-Al Shafi Street	+974 44253162
Lusail Branch (Head Office)	Building No 6 , Zone No 69-Street 325	+974-44940000
Royal Plaza Branch	Royal Plaza Mall-Ground floor-Al Sadd	+974 44253314 – 44253313
Wathnan Mall Branch	Muaither-North Muaither	+974 44233300
Al Wakra Branch	Al Wakra-Al Wakra Main Road	+974 44253286
DFC Branch	Doha Festival City-Ground Floor	+974 44253354
Msheireb Branch	Beside Sheikh Suhaim Bin Hamad Al Thani’s Palace-Al Kahraba St., Doha	+974-44940000
Al Sadd Branch	Al Sadd-Al Sadd Street	+974 44253135
Qatar Olympic Committee Branch	West-Bay-Majlis Al Taawon	+974 44253271
Umm Lukhba Branch	Building No 406 , Zone No 31-Street 380	+974-44940000

## Treasury and Financial Institutions

In the ever changing landscape of the financial world it is critically important to have a well-managed Treasury and Financial Institution (“FI”) function for any large financial institution. At AlRayan Bank, our Treasury and FI department facilitates the Bank to maintain adequate liquidity, strong funding base and diversified revenue streams. Treasury and FI provides AlRayan Bank various sources of funding and revenue primarily via DCM, bilateral financing and private placements as well as sizeable fee income from trade finance products and foreign exchange transactions.

By promoting Islamic banking principles and practices, AlRayan Bank’s Treasury and FI function is equipped with a range of Treasury and FI products and solutions designed to support the Bank’s activities and fulfil the banking requirements of its client base. Overall, these activities of Treasury and FI department are closely in line with the Board of Directors’ strategic vision for the future of the Bank as the premier Islamic financial institution.

During the year 2025, AlRayan proudly earned the position of Primary Dealer for all QCB Sukuk Issuance. During the same year, IILM also selected AlRayan Bank to become Primary Dealer for their Sukuk Issuances due to its active participation as well as distribution capabilities.

## Leading Tomorrow

The Treasury and FI product suite includes a range of Shari'a-compliant solutions. This include Wakala, foreign exchange spot transactions, Islamic FX forward and swap (wa'ad), Tawarruq, Islamic Fixed Income "Sukuk", commodity Murabaha, reverse Murabaha, cross currency swap, options, profit rate swap, special term deposits, ESG deposits, structured deposits, hedging solutions, collateralized Murabaha ("Repo"), and bilateral and syndicated financing facilities.

The Treasury and FI segment consists of following five units :

- Asset and Liability Management ("ALM")
- Foreign Exchange and Derivatives
- Treasury Sales
- Investments and Capital Markets
- Primary Dealer for QCB Sukuk Issuances as well as IILM Sukuk Issuances
- Financial Institutions

### Asset and Liability Management (ALM)

The ALM unit framework focuses on ensuring ample liquidity for the Group at all times, mitigating financial mismatch risk, managing cost of funding, optimizing profitability and ensuring compliance with regulatory and Basel III requirements. This is achieved by enforcing internal monitoring measures and policies, strengthening the Bank's existing local relationships, establishing new inter-bank limits locally and internationally and tapping into the capital markets for public/private securities issuances.

### Treasury Sales

The unit has a well-defined objective, and its role is a fusion of liquidity solicitation and income generation. The team has supported the Bank's liquidity pool by continuously expanding its horizon to different geographies and diversifying forms of liquidity including Green deposits that are in line with our Sustainable Finance Framework. The unit is responsible for marketing and raising funds via AlRayan Bank's US\$4,000,000,000 Sukuk MTN Programme. Fulfilling the Bank role as Primary Dealer, the team have actively supported the distribution and secondary market promotion of Qatar Central Bank Sukuk and the International Islamic Liquidity Management Corporation (IILM) Programmes, thereby strengthening the Bank's presence in the domestic and regional capital markets. Via promoting and selling treasury solutions which fulfils the Bank clients' requirements, the unit has always contributed positively to the income

stream of AlRayan Bank. Moreover, the team has built a strong reputation being one of the most dynamic institutions in the local market by capturing FX and derivative hedging business emanating from the local market.

### Foreign Exchange & Derivatives

The Foreign Exchange and Derivatives unit works closely with the ALM unit in carrying out the functions of managing and executing foreign exchange transactions and monitoring AlRayan Bank's foreign exchange position. The Foreign Exchange and Derivatives unit also implements robust mechanisms to cope with rapid market developments for the purposes of mitigating interest rate risk and foreign exchange volatility and exposure. In line with the Treasury and FI group's objective of enhancing AlRayan Bank's income, the Foreign Exchange and Derivatives unit continuously seeks opportunities to enhance the income generated from AlRayan Bank's investment book and take advantage of foreign exchange ("FX") proprietary opportunities in accordance to AlRayan Bank's risk appetite. The team has built a strong reputation in the local market for its FX and derivative hedging business.

### Investments and Capital Markets

In line with AlRayan Bank's strategy, the Investments unit continuously look for investment opportunities in Shari'a-compliant assets, such as sukuk and equity. Investments in those asset classes are executed in accordance with AlRayan Bank's risk parameters, Shari'a principles, and guidance provided by the Executive Management and the Board of Directors through the newly found strategy, risk management policies and corporate governance process. Consequently, this helps achieve a balanced, diversified, and robust position for AlRayan Bank and its liquidity. The investment book contributes significantly to the profitability of AlRayan Bank. We follow the approved treasury investment policy based on, among other things, issuance size, ratings and sector limits. As a result, any deviation from the treasury policy has to be approved by the Credit and Investment Committee. In addition, stress tests on the profit rates are performed by the Risk Management department on a periodic basis.

AlRayan Bank has used its \$ 4 billion Sukuk MTN Program to raise term funding in public and private format in the capital markets. In addition to being a source of funding, this also creates visibility for

AlRayan Bank amongst the regional and global capital market investors and opens AlRayan Bank to greater diversity in managing total funding pool.

As part of its ongoing Treasury Department efforts to strengthen the Bank's position as a leading Islamic institution in the capital markets, the Treasury has been mandated for two programmes to act as Primary Dealer for the QCB and IILM programmes. In addition, the Bank has been appointed as Joint Lead Manager on a number of local, regional, and international issuances, reflecting the Treasury team's experience, execution capabilities, and standing in the market.

In parallel with Qatar's National Vision commitment towards the environment and the increasing demand for ESG solutions, AlRayan Bank has established its sustainability financing framework. The Financing Framework received a second party opinion from S&P. The Sukuk MTN program allows for public and private ESG and non-ESG issuances.

AlRayan Bank successfully raised USD 500 mio via Senior Unsecured 5-year Sukuk at T+80 bps in May 2025. This was a milestone trade in many ways including the lowest credit spread paid by any Qatari FI at that time).

In December, AlRayan Bank issued a debut Green Sukuk for QAR 500 mio at a profit rate of 4.25% for 3-years. This was the first Green Sukuk issued through a special purpose Entity incorporated in QFC, and Sukuk Certificates to be cleared & settled via EDAA and QSE.

### Financial Institutions

AlRayan Bank's Financial Institutions unit ("FI") offers correspondent banking services and acts as the gateway for the Bank with its global network of banks and other non-bank financial institutions. Relationships with over 200 financial institutions worldwide has already been developed by AlRayan Bank's FI team in order to support our clients' requirements primarily on international cash management, cross-border payments, and trade finance products (letters of credit, guarantee, documentary collections). Moreover, AlRayan Bank's FI team actively seeks to secure funding from relationship banks, as well as participating in Murabaha financing facilities via bilateral financings and syndications, providing strong profitability and diversification to the Bank's balance sheet.

FI unit offers wide range of products to its correspondents, including but not limited to on trade finance solutions, QAR clearing account and financing on Murabaha structures.

FI had a meaningful contribution on fee income to ARB enhancing revenue diversification for the bank. It managed to increase its financing portfolio by introducing new names to ARB. FI was successful on securing large energy export transactions worldwide. On the funding side, FI continued to raise significant funding to support the balance sheet growth.

## Asset Management and Financial Advisory

### AL Rayan Investment LLC

Al Rayan Investment LLC (ARI) incorporated in 2007, is a fully-owned subsidiary of AlRayan Bank, focused on asset management and corporate financial advisory. ARI is authorised by the Qatar Financial Centre Regulatory Authority and regulated by the Qatar Financial Markets Authority.

ARI built on past successes which drove yet another year of profit growth in 2025. The performance of asset management remained resilient in the face of market volatility and increased competition. Financial advisory had a busy year across debt capital markets and general corporate advisory, including the first Qatari Riyal sukuk listed and traded on the Qatar Stock Exchange.

Since its inception 16 years ago, the firm has grown impressively across asset management and advisory, and despite material market volatility, has delivered profit growth almost every year. These results are testament to a world class team which serves clients with market leading professionalism; ARI aims to be the most trusted financial services partner for its clients.

### Asset Management

ARI's asset management franchise has built a strong performance record, drawing increasing interest from high-net-worth clients and earning broad recognition for its leading capabilities among domestic institutional investors.

Investors find ARI's proposition compelling: experienced in-house research feeding into a robust investment process, delivering superior security selection, generating consistently strong returns.

## **2025 Performance**

ARI's assets under management (AUM) across money markets, public equities and sukuk, ended the year at QAR 3.9 billion.

### **Global Sukuk**

During 2025, ARI managed to further grow its sukuk offering, benefitting from new issuances and positive investment performance. Net of fees, ARI's actively-managed, US Dollar sukuk portfolios returned around 9% over the year. These very strong returns helped attract several new clients.

ARI offers a Sukuk execution service to institutional and individual investors, Sukuk purchased for investors are held in custody by ARI. Investors frequently highlight the quality of ARI's execution, which is key to gaining new clients.

### **Listed equities**

ARI's investment focus for public equities remains the Gulf. Equities' segregated portfolios for institutional investors and family offices account for a large proportion of overall assets under management.

### **Funds**

In addition to segregated portfolios, ARI manages three regulated funds, of which Al Rayan Qatar ETF and Al Rayan GCC Fund are the largest.

- Listed on the Qatar Stock Exchange, Al Rayan Qatar ETF (QATR) tracks the performance of the QE Al Rayan Islamic index (a Sharia-compliant, Qatari equity index). With market-capitalisation of approximately QAR 460 million at end-2025, QATR is among the 10 largest Sharia-compliant, equity, exchange traded funds (ETF) globally. A Total Expense Ratio (TER) of 0.50% makes QATR among the more cost efficient single-country ETFs across emerging markets. The ETF pays a cash dividend more than once a year, generally in the second and third quarter of each year.
- The flagship, Al Rayan GCC Fund invests in Gulf listed equities and sukuk, and with assets north of QAR 390 million, and remains one of the largest regional, Sharia-compliant GCC funds. With a difficult market backdrop, in 2025, this absolute-return fund returned -6% and paid dividends in January and July. The fund's long term consistent performance supported continued subscriptions in 2025, from individual and institutional investors.

## **Financial Advisory**

After a weak 2024, economic activity in Qatar somewhat improved in 2025, supported by progress on the country's diversification agenda. Capital market conditions were mixed: equities issuance remained subdued, while sukuk continued to be a key funding channel across the region.

Catering primarily to its Qatari clients, ARI sustained strong momentum during 2025 across international and domestic debt capital markets. ARI advised and supported issuers in raising Shariah-compliant public debt, securing Joint Lead Manager advisory roles on several US Dollar sukuk transactions, including issuances for Dar Al Arkan, the Islamic Corporation for the Development of the Private Sector (ICD), Warba Bank and Qatar International Islamic Bank (QIIB).

A highlight of the year was ARI's appointment as Joint Lead Manager on the State of Qatar's landmark sovereign sukuk issuance — returning to the sukuk market after thirteen years — with a \$3 billion transaction that achieved record-tight pricing; exceptional investor demand underscored Qatar's credit positioning.

In another milestone for Qatar's domestic capital markets, ARI also supported as JLM, the first Qatari Riyal-denominated sukuk to be locally settled and cleared, QIIB's QAR 500 million issuance marked a leap in the development of the onshore debt market infrastructure and the diversification of local funding and investment channels. Building on this, ARI is now advising on another similar Qatari Riyal sukuk transaction, reflecting sustained issuer appetite and growing depth in the local market.

Beyond debt markets, ARI continued to progress its equity and advisory platform, including IPO readiness engagements for government-related entities and acting as Offering Manager on a follow-on offering.

## **International Operations**

### **AIRayan Bank PLC**

AIRayan Bank PLC, a majority-owned subsidiary of AIRayan Bank QPSC, delivered another year of strong progress in 2025, marked by strategic growth and robust financial results.

Headquartered in London, AIRayan Bank PLC is the UK's most successful and longest-established Sharia-compliant bank. Over the past two decades, it

has played a pivotal role in shaping the UK's Sharia-compliant banking sector.

The Bank's strategy continues to centre on Structured Real Estate (SRE) and Premier Banking for GCC-based customers.

2025 was a milestone year as total assets exceeded £3 billion for the first time. Building on the decision to diversify into higher-margin SRE segments, the Bank expanded its specialist team and delivered record performance in this area. Premier Banking also maintained strong momentum, with a particular focus on deepening relationships in the Kingdom of Saudi Arabia.

From a funding perspective, the Bank advanced its transition toward aggregator and wholesale funding, broadening its funding base and enhancing overall efficiency. Concurrently, investments in technology further strengthened digital capabilities and reinforced core infrastructure.

These initiatives underpinned a year of better-than-forecast financial performance, with pre-tax profit expected at £23.1m\*, driven primarily by growth in SRE. The gross financing asset book rose to £2.48 billion\*, compared to £2.10 billion in 2024, reflecting strong commercial property finance growth alongside the planned reduction in legacy retail home finance.

2025 was a year of transformation for AlRayan Bank PLC, highlighted by the successful launch of the APEX (Achieving Productivity Excellence) programme. This strategic initiative delivered a comprehensive review of the Bank's processes and technology, resulting in meaningful and measurable improvements across the organisation.

APEX has laid the foundations for a simpler, stronger, and more agile bank, ensuring operational efficiency and enhanced customer experience. Several key actions have already been implemented, saving more than 2,000 working hours across the Bank. Further enhancements are in progress and scheduled for completion by March 2026.

Beyond its financial and transformation achievements, 2025 was notable for the rebrand of the UK bank to align it more closely with the Group. The rebrand was successfully implemented in May 2025 and was "Highly Commended" at the Financial Promoter Awards later that year.

The Bank also accelerated its ESG agenda, introducing a company-wide volunteering scheme,

promoting greener travel, and advancing its paperless banking initiative. It published its second Sustainability Report, reaffirming its environmental and social commitments, and maintained operational carbon neutrality by offsetting all emissions.

Employee wellbeing remained a priority, with initiatives such as annual health screenings for family members and enhanced mental health support. The Bank's TEAM values (Trusted, Empowered, Able, Motivated) continued to underpin its culture, reflected in consistently high engagement scores. The December 2025 Employee Engagement Survey achieved 96% participation and an engagement score of 87%, well above sector benchmarks.

Additionally, in December 2025, AlRayan Bank PLC was nominated as the "Best Company to Work For" at the HR Brilliance Awards, to be held in 2026.

A stable and experienced Board and Executive Team remains central to the Bank's success, ensuring sustainable growth, exceptional customer service, and long-term value creation for shareholders.

AlRayan Bank PLC is proud of its role within the Group and remains committed to excellence, resilience, and responsible Sharia-compliant banking, delivering enduring value for all stakeholders.

For more information, please visit [www.alrayanbank.co.uk](http://www.alrayanbank.co.uk).

\* Unaudited and subject to change

### **Al Khaliji France SA**

Al Khaliji France S.A. (AKF) is an independent banking entity, fully owned by AlRayan Bank, established under the laws and regulations of the Republic of France with headquarters in Paris and with two branches in the United Arab Emirates (UAE).

Al Khaliji France with a fully paid-up capital of EUR 104 million is engaged in conventional banking and financing activities. The Bank continued to offer tailored banking experience and a diversified range of products and services to its customers, in particular: Corporate and Commercial Banking, Personal Banking focusing on HNWI, as well as Treasury services. The activities remained fairly diversified over economic sectors. The Bank's branches in the Emirates contributed up to 42% of the Bank's total assets, translating approximately into a quasi-stable activity breakdown between France and abroad.

## Leading Tomorrow

The Bank recorded a net profit after tax of EUR 15 million\* in 2025. Total assets reached EUR 719 million\* compared to EUR 829 million\* at end-December 2024. Customers loans recorded EUR 280 million\* and Customers deposits reached EUR 394 million\* at end 2025. At the level of the Bank's loan quality, which remained a key focus for Management, credit-impaired loans represented 2.84%\* of gross loans at end 2025 as compared to 3.8% at end-2024.

Al Khaliji France (AKF) still maintains an excellent level of regulatory equity at for EUR 214 million\* at end 2025. Subsequently, the Bank core equity Tier 1 ratio (CET1) as per Basel III norms stood at a comfortable level recording c. 30%\* at end 2025 far above the minimum required regulatory ratio. The Bank's liquidity position remained very strong with a Liquidity Coverage Ratio (LCR) at 201%\* end of 2025, compared to the minimum required of 100%.

The year 2025 was marked by the take-off of major regulatory projects such as DORA, the Digital Operational Resilience Act, which was introduced by the European Union to strengthen the digital resilience of financial entities. This will enable the bank to properly manage ICT risks and incident reporting according to the established standards.

Furthermore, and in line with European Corporate Sustainability Reporting Directive, and the Qatar Central Bank requirement, AKF initiated a full review of its ESG framework, including a full set of reporting tools and procedures covering areas such as strategy, credit and investments.

The bank's online banking services were being also enhanced by the implementation of if Multi-Factor Authentication, in accordance with the European Payment Services Directive 2.

The Bank's solid financial standing, in addition to new investments carried out, will continue supporting the expansion of its footprint in Europe and the UAE. The Bank aims to grow its deposit base by attracting new depositors to reduce concentration risk. It will pursue its objectives to further develop its core activities besides other areas such as participating in syndicated loans to governments and Tier 1 banks.

We will continue to look for financing opportunities provided by Qatari State-owned corporations or GCC businessmen through their investments abroad, and to further increase the volume of our trade finance transactions. The strategy remains to grow prudently by focusing on the best opportunities for our Bank and to achieve consistent results across all the business lines we are involved in. Our challenge for the years ahead is to ensure full compliance with the changing regulations. The Bank will take the necessary decisions to maintain all regulatory ratios at comfortable levels. The key priorities will continue as well to revolve around enhancing further the Corporate Governance aspects, the internal controls, the security issues, and the monitoring of operations to ensure full compliance with applicable rules and regulations.

Finally, Al Khaliji France faces with confidence the coming years, and the Bank main objective remain to cultivate excellent relations with its customers and partners to earn their trust, to achieve quality growth in the countries of presence and to ensure long-term sustainable value to all stakeholders.

For further information about AKF in France and UAE, please visit [www.alkhaliji.fr](http://www.alkhaliji.fr) or [www.alkhaliji.ae](http://www.alkhaliji.ae) respectively.

\* Unaudited and subject to change



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## Corporate Governance

### **Built on Accountability.**

Robust governance practices that support ethical growth, sound decisions, and sustainable success.

# Annual Corporate Governance Report 2025

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## 1. Corporate Governance at Glance and Compliance Statement

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Corporate Governance Report for the year ended 31 December 2025. This report reflects our continued commitment to the highest standards of governance, transparency, and accountability, in full alignment with the Qatar Financial Markets Authority (QFMA) Governance Code and the Qatar Central Bank (QCB) Corporate Governance Principles.

### Governance Commitment and Achievements in 2025

The year 2025 marked significant progress in strengthening our governance framework and advancing our Environmental, Social, and Governance (ESG) agenda:

- **Establishment of a special Strategy Steering Committee:** A new Strategy Delivery and Value Realization Steering Committee was formed to expedite the implementation of our updated corporate strategy.
- **Continuous Enhancement of Governance Practices:** we enhanced risk oversight mechanisms and introduced new governance policies to strengthen accountability and transparency.
- **Green Sukuk Issuance:** In line with Qatar's sustainability vision, the Bank successfully issued its first Green Sukuk, financing projects that contribute to environmental protection and sustainable development.
- **Corporate Social Responsibility (CSR) Initiatives:** We expanded community engagement programs, supported education and youth development, and launched initiatives promoting environmental awareness and social inclusion.

These achievements underscore our determination to integrate ESG into our governance framework, ensuring long-term value creation for shareholders and stakeholders alike. For details, see the ESG Report under section 4 of this Annual Corporate Governance Report.

### Compliance Statement

The present Annual Corporate Governance Report (the "Report") has been prepared in accordance with the Corporate Governance Instructions for Banks issued by Qatar Central Bank ("QCB") under Circular No. (25) of 2022 as amended by Circular (2) of 2023 ("QCB CG Rules"), the applicable legislations issued by the Qatar Financial Market Authority ("QFMA") including the Corporate Governance Code for Shareholding Companies Listed on the Primary Market issued by the Board of QFMA under the resolution No. (5) of 2016 ("QFMA Code"), the QFMA's Offering and Listing Regulation, the Qatar Stock Exchange rules, the Qatar's Commercial Companies Law No. (11) of 2015 as amended by law No. (8) of 2021, the Bank's Articles of Association and the best international and regional standards and practices on corporate governance (altogether hereinafter referred to as the "Governance Regulations").

The Report describes the measures and procedures taken by the Bank to implement the Governance Regulations. It also includes the Independent Assurance reports by the Bank's external auditors on Corporate Governance and ICOFAR as shown under Appendix (I) and Appendix (II) to this Annual Corporate Governance Report respectively.

Based on assessment procedures, the Board of Directors concludes that AlRayan Bank is compliant, in all material respects, with the applicable Governance Regulations as of 31 December 2025.

**Note (1):** During the reporting period, on 17 August 2025, the Qatar Financial Markets Authority ("QFMA") issued the Governance Code for Companies & Legal Entities Listed on the Main Market (the "Governance Code" or the "New Code"), pursuant to QFMA Board Decision No. (5) of 2025. This New Code came into effect upon its publication, superseding the previous Governance Code issued under QFMA Decision No. (5) of 2016. Companies have until 17 August 2026 ("the transitional period") to align with the provisions of the New Code. The Board of Directors conducted a comprehensive assessment of the New Code and concluded that the Bank is in compliance, in all material respects, with the New Code as issued in Decision No. (5) of 2025.



**Mohamed Bin Hamad Bin Qassim Al Thani**  
Chairman of the Board

## 2. Description of Implementation of Governance Regulations

### 2.1 At Overall Governance System Level

The Bank has established a comprehensive Corporate Governance (CG) framework designed to uphold the rights and equitable treatment of shareholders, ensure full disclosure and transparency, and define the duties and responsibilities of the Board of Directors. This framework is built on robust systems, policies, and processes that promote accountability, integrity, and openness in the conduct of the Bank's business.

The framework clearly sets out the roles, responsibilities, and separation of duties among key governance participants, together with the transparency and disclosure requirements applicable to them. It encompasses the Board of Directors, Board committees, the Sharia Supervisory Board (SSB), executive management, internal and external audit functions, sharia audit, internal controls, and the Bank's interactions with supervisory and regulatory authorities.

The CG framework is fully documented in the Bank's Group Corporate Governance Framework Policy and Manual (the "CG Charter"), which has been formally approved by the Board. The Charter complies with all applicable local and relevant international regulations, while also reflecting the requirements of Al Rayan Bank's Articles of Association (AOA). It addresses the underlying principles of governance, the operating procedures, and the composition and responsibilities of each body within the framework.

To ensure transparency and accessibility, the CG Charter is publicly available on the Bank's website at [www.alrayan.com](http://www.alrayan.com).

### 2.2 At Board Level

#### 2.2.1 Eligibility conditions for Board Member

Article (20) of AlRayan Bank's Articles of Association sets out the minimum terms and conditions of eligibility required for Board membership. These provisions are fully aligned with applicable Governance Regulations.

To further strengthen governance practices, the Board of Directors has adopted a written Board Nomination and Election Policy. This policy defines the procedures for Board nominations and elections and establishes additional eligibility criteria for Board nominees. It was prepared in accordance with relevant laws and regulations and formally approved by the General Meeting on 16 November 2022. The policy is publicly available on the Bank's website at [www.alrayan.com](http://www.alrayan.com).

In 2025, the Corporate Governance, Nominations and Remuneration Committee ("CGNRC") reviewed the Policy and introduced immaterial amendments under its authority pursuant to Article (2). These changes were subsequently endorsed by the Board of Directors. The amendments were required to ensure compliance with new regulations and resolutions already approved by the General Meeting of Shareholders, specifically:

- Replacement of references to "Masraf Al Rayan" with "AlRayan Bank."
- Reduction of the number of directors from 13 to 11, and independent directors from 4 to 3, in line with Qatar Central Bank regulations and the resolutions of the Extraordinary General Meeting held on 25 March 2024.
- Increase in qualification shares from 1 million to 9 million, as approved by the Extraordinary General Meeting held on 26 March 2025.
- Additional technical changes to comply with the new QFMA Corporate Governance Code (Board Decision No. 5 of 2025) and QFMA Circular No. GD/16/2024 dated 26 February 2024 regarding approval requirements for Board candidates.

AlRayan Bank requires all directors to provide specific disclosures and sign an undertaking to notify the Bank of any changes or updates as they occur. These disclosures are collected through structured questionnaires designed to ensure that directors provide all necessary information, supported by evidence where required, to assess compliance with eligibility conditions under applicable laws.

Directors are required to update their disclosures at least annually. As of 31 December 2025, the Board confirms that none of its members breached the eligibility terms and conditions prescribed by law and regulation.

### 2.2.2 Board Composition

AlRayan Bank's Articles of Association, in particular, articles (19) and (29), determine the composition requirements of the Board and its committees in accordance with the Governance Regulations. As of 31 December 2025, AlRayan Bank's Board of Directors comprised 11 members the majority of which are Non-Executive Directors ("NEDs") (8 out of 11) including 3 Independent Directors ("INDs"). For more details on the Board composition, see section 3.1 "Board of Directors" under "Corporate Governance Disclosures".

### 2.2.3 Prohibition of Combining Positions

As of 31 December 2025, none of the members of the Board of Directors held combined positions that are prohibited under the applicable Governance Regulations. Each Board member renewed their annual acknowledgment for the fiscal year 2025, confirming in writing that they do not combine such positions and undertaking not to do so in the future. All acknowledgments and undertakings have been duly recorded and maintained by the Company Secretary.

In addition, Articles (11) and (12) of the Board Nomination and Election Policy, approved by the General Meeting on 16 November 2022, stipulate that any candidate for Board membership must not combine positions prohibited by law. As a condition precedent to candidacy, each nominee is required to submit a written acknowledgment and undertaking confirming compliance with this requirement.

### 2.2.4 Main Functions and Tasks of the Board

The Board functions within written Terms of References ("TORs") developed and approved by the Board. The Board TORs are developed in accordance with the Governance Regulations. The Board TORs describe the composition and selection of the Board members and Chairman, the organization of the meetings, the training of the Board and Board Committees, the remuneration, and the responsibilities and functions of the Board. They equally comprise a broad description of matters required to be considered by the Board, including, but not limited to, setting-up strategies, defining risk levels, approving policies as well as matters that constitute events of conflict of interest and disqualifications for the Board. The Board TORs are available and accessible on AlRayan Bank's website ([www.alrayan.com](http://www.alrayan.com))

For more details on the Board functions, see section 3.1 "Board of Directors" under "Corporate Governance Disclosures".

### 2.2.5 Main systems, policies and procedures set by the Board

AlRayan Bank's Corporate Governance system comprises a number of strategic policies, procedures, systems, processes and mechanisms ("Policies") set by the Board of Directors or its committees that are key to the functioning of AlRayan Bank. The key Policies adopted in AlRayan Bank as of 31 December 2025 are as follows:

1. Business Strategy "LEAD"
2. Credit Policy
3. Risk Appetite Statement
4. Reputational Risk Management Policy
5. Expected Credit Loss Policy
6. ICAAP Policy
7. Liquidity Risk Management Policy
8. Market Risk Management Policy
9. Operational Risk Management Policy
10. Cyber-security Policy and Framework
11. Information Security Policy
12. Cloud Security Policy
13. Electronic Crime Policy
14. Business Continuity Management and Disaster Recovery Policy
15. Swift Framework Policy
16. Information Technology Policy
17. Infrastructure procedures and digital systems issuance
18. Management change standards
19. Application development standards
20. Digital Systems Testing Methodology
21. Code of Conduct Policy
22. HR Policy including staff and senior management remuneration methodologies, training and development policies
23. Board and Employee Induction programs
24. Liabilities, assets and treasury management policy
25. Internal Audit Policy and Procedures
26. Internal Audit Charter
27. Investment Policy
28. SSB Charter and Sharia Policy
29. Group Corporate Governance Framework

30. Group Business Policy
31. Service Quality Policy
32. Branch Operations Policy
33. ESG Policy and Sustainable Financing Framework
34. Corporate Social Responsibility Policy
35. Capital Management Policy
36. Various accounting and finance policies
37. Dividend Policy
38. Disclosure and Transparency Policy including policy on dealing with rumors
39. Investor Relations Policy
40. Related Party Transaction Policy and procedures
41. Legal Affairs Framework and Policy
42. Delegation of Authority matrix and Policy
43. Credit Approval Matrix and Policy
44. Board Nomination and Election Policy
45. Group Organizational Chart
46. Balanced Scorecard and Performance Assessment Methodology
47. Board and SSB Remuneration Policy
48. External Auditor Policy
49. Procurement and Outsourcing Policy
50. Customer Complaints Policy and procedures
51. Board Charter/TORs
52. Company Secretary Charter
53. Board Committees Charters/TORs
54. Management Committees Charters/TORs
55. Social Media and Website Management Policy
56. Corporate Communications procedures
57. Subsidiaries Governance Framework and Policy
58. Authorized Signatories and Official Stamps Policy
59. Policy Governance Framework
60. Group Compliance Policy
61. Group Financial Crime Compliance Policy
62. Financial Crime Framework
63. FCC Governance
64. Financial Crime Assurance and Monitoring Framework
65. AML Whole Firm Business Risk Assessment Methodology
66. Customer Risk Assessment Methodology
67. Customer Risk Assessment Scoring Model
68. Financial Crime Risk Appetite
69. Industry Risk Classification
70. Country Risk Classification
71. AML Whole Firm Inherent Risk Analysis
72. Whole Firm Top-down Risk Analysis
73. Whole Firm Bottom-up Risk Analysis
74. Financial Crime Prevention Policy
75. Customer Acceptance Policy
76. Politically Exposed Persons Policy
77. Sanctions Policy
78. Trade Finance Policy
79. Correspondent Banking Policy
80. Anti-Bribery and Corruption Policy
81. Whistleblowing Policy
82. Anti-Fraud Policy
83. Dormant and Unclaimed Policy
84. New Product & Service Approval Policy
85. General Data Protection Policy
86. Electronic crime Policy
87. FATCA Transparency Policy
88. Conflict of Interest Management Policy
89. Risk Based Approach Guidelines
90. KYC/ On-Boarding, CDD and ECDD Guidelines
91. Beneficial Ownership Guidance
92. PEP Guidance
93. Vendor Management Guidance
94. Dealing with Precious Metals Dealers, Precious Stones and Gold Guideline
95. Large Cash Transaction Guidance
96. Sanctions Screening Guideline
97. SAR, STR and Reporting Guidance
98. AML Guidance in Trade Finance
99. Correspondent Banking Guidance
100. Customer Transaction Monitoring Guidance
101. Staff Transaction Monitoring Guidance
102. Adverse Media Discounting Guidance
103. Anti-Fraud, Bribery and Corruption Guidance
104. AML Sanctions Exits and Decline Guidance
105. Documents & Record Keeping Guidance
106. FCC Delegated Authority Matrix
107. FCC Vendor Management Guidance
108. Common Reporting Standards (CRS) requirements
109. Data Privacy and Protection Policy
110. Repossessed Assets Policy
111. Fraud Risk Management Strategy
112. Contingency Funding and Liquidity Policy

## Corporate Governance

The Board of Directors has approved the Policy and Procedure Governance Framework, which establishes a structured process for the development and adoption of policies and procedures within AlRayan Bank. Under this framework, any new policy or procedure must be reviewed and signed off by all relevant stakeholders and control functions—including, at a minimum, the Operational Risk Unit, Compliance Department, and Legal Department—prior to submission to the Board for approval.

This process ensures that all policies and procedures are consistent with applicable laws and regulations, while also being aligned with sound operational practices. In addition, policies and procedures are subject to periodic reviews, with proposed amendments submitted to the Board for approval to ensure they remain current and effective.

Adherence to Board-approved policies is monitored by the Bank's control functions, which provide periodic reports to the Board regarding any breaches for appropriate action. A number of key policies are published on AlRayan Bank's website to promote transparency.

As of 31 December 2025, no breaches of Board-approved policies were reported. The Bank continues to develop and update its policies and procedures to ensure ongoing compliance with all relevant rules and regulations.

### 2.2.6 Board Responsibilities and Directors' Obligations

The Board of Directors is responsible for the overall management of AlRayan Bank in accordance with the Bank's Articles of Association, the Board Terms of Reference (TORs), and all applicable laws and regulations. Through regular meetings of the Board and its subcommittees, the Board oversees Senior Management, reviews matters presented for decisionmaking, and requests periodic updates on material decisions to ensure accountability and transparency. In addition, the Chairman holds separate meetings with individual directors and committee chairpersons to discuss management performance and matters requiring close Board oversight.

The Board has established internal processes to ensure that all topics and policies submitted for consideration are reviewed from legal, statutory, and regulatory perspectives. All Board-approved policies,

including corporate governance policies, are subject to periodic review, with amendments recommended for Board approval to ensure they remain current and effective. In 2025, the Board reviewed and updated several policies in light of changes to applicable laws and regulations.

Board members dedicate sufficient time to their duties and act independently by providing guidance, constructive criticism, and objective contributions. NonExecutive Directors (NEDs) and Independent Directors (INDs) serve on key committees, including the Audit Committee and the Corporate Governance, Nomination and Remuneration Committee (CGNRC), where they provide impartial oversight of strategic and business matters and monitor compliance with governance standards and regulatory requirements.

All directors place their skills and experience at the disposal of the Bank and demonstrate committed attendance at Board and committee meetings. Together with the Chairman, directors actively participate in General Meetings to address shareholder queries. Details of Board and committee attendance are disclosed in section 3.1 "Board of Directors" and section 3.2 "Board Committees" under "Corporate Governance Disclosures."

In addition to the Board TORs, a Code of Conduct for the Board of Directors has been adopted to define the professional and ethical duties of directors. Each director has formally acknowledged and undertaken to comply with fiduciary obligations, including loyalty, good faith, and acting in the best interests of AlRayan Bank and its shareholders. Directors are required to avoid conflicts of interest and ensure that the Bank's interests take precedence over personal interests. Internal procedures have been established to manage potential conflicts at Board level. The CGNRC evaluates the performance of the Board and individual directors, including their compliance with these duties and undertakings.

The Board Nomination and Election Policy requires candidates to submit a written undertaking to comply with applicable laws and regulations and to provide all disclosures required under QCB and QFMA regulations as a condition precedent for candidacy.

As of 31 December 2025, the Board confirms that all fiduciary obligations and governance responsibilities were fully met.

### 2.2.7 Senior Management and segregation of duties

The Board of Directors appoints the Group Chief Executive Officer (“GCEO”) together with his direct reports and approves the Bank’s organizational structure. The GCEO is entrusted with the execution of AlRayan Bank’s strategy and the daytoday management of the Bank’s operations. He reports directly to the Board of Directors and ensures that the Board is kept fully informed of all key aspects of business performance and material development.

The GCEO is supported by a highly experienced senior management team with extensive expertise in banking, finance, and risk management. In addition, a number of management committees with clearly defined mandates and responsibilities assist in the effective oversight and execution of the Bank’s business activities.

Further details on the composition of senior management and the roles of management committees are provided in section 3.3 “Senior Management and Management Committees” under “Corporate Governance Disclosures.”

The Board of Directors has approved a written Delegation of Authority Policy and Matrix to govern the delegation of authorities within AlRayan Bank. This framework ensures that the Board performs its functions in a neutral and independent manner, free from undue influence by its relationship with Senior Management.

The policy clearly separates the functions and authorities of the Board of Directors from those of Senior Management, thereby reinforcing accountability and transparency. Responsibilities and authorities are distributed according to a defined hierarchical structure that promotes the participation of all relevant stakeholders in the decisionmaking process. This distribution is subject to specific controls designed to ensure compliance with applicable laws and AlRayan Bank’s Articles of Association.

Through this policy, the Bank ensures that decisionmaking processes are properly structured, balanced, and aligned with sound governance practices.

As of 31 December 2025, the Group Organizational Chart approved by the Board of Directors remained unchanged. See section 3.4 “Group Organizational Chart” under “Corporate Governance Disclosures.”

### 2.2.8 Subsidiaries Governance Framework

The Board is responsible for the oversight of subsidiaries. To this end, the Board has approved a Subsidiaries Governance Framework based on legal and regulatory requirements applicable to the subsidiaries and associates in the jurisdictions where they operate and in accordance with the relevant applicable laws and regulations in Qatar.

According to the Framework, AlRayan Bank’s subsidiaries are governed as follows:

1. A representation from AlRayan Bank at the Board of a subsidiary
2. Development and recommendation of Group-level framework, policies, budgets and plans
3. Group Monitoring through provision of relevant information, including exceptional reports and incidents
4. Supporting information flow and reporting for consolidation purposes through pre-defined processes and plans between functions, upwards and downwards (includes reports generated for Performance Reporting and for oversight)
5. Providing ad-hoc services to subsidiary function, including specialist “review” services, as and when needed, in accordance with the subsidiary’s laws and regulations and subject to specific Service Level Agreements, to be entered into
6. Reporting to Group Board by Group Senior Management on consolidation basis for recommendations and actions, as applicable

The Framework has been created as a policy and execution document with the purpose of providing a good practice governance structure for AlRayan Bank. It is designed to (i) set the group philosophy and principles in owning or establishing a subsidiary and/or investing in an associate or special entities; (ii) define the roles, responsibilities and reporting lines between Group and its subsidiaries (iii) set Group oversight and reporting requirements to exercise monitoring/oversight by Group over subsidiaries; (iv) set implementation processes for various interactions between the Group and its subsidiaries under the Framework whilst allowing the subsidiaries to function autonomously within their regulatory environments; (v) sets an escalation procedures in case of disagreements arising from implementation of the framework; and (vi) sets a governance framework of related entities other than subsidiaries (associates, trusts, SPVs, funds).

## Corporate Governance

The interaction between Group functions and subsidiaries functions under the Framework is designed and focused around the following 4 major areas:

1. Development of frameworks, policies, budgets and plans
2. Information flows and reporting
3. Monitoring and oversight
4. Ad hoc support

The subsidiary's Board appoints a general manager/ CEO with a direct reporting line to the subsidiary's Board and indirect reporting to the Group CEO. The Bank issues periodic consolidated reports on its activities, business and financial performance to ensure consolidated oversight and effective internal controls. AlRayan Bank's Board establishes clear, defined and written policies, strategies and budgets on Group level, in line with the objectives established for each subsidiary and the nature of the economic, market and legal environment where it is operating. The subsidiary should be at all times considered as a company having legal entity and independence from AlRayan Bank and that operates within its applicable laws and regulations and the rights of other minority shareholders should be taken into consideration.

As of 31 December 2025, AlRayan Bank had a number of subsidiaries and associates and Special Purpose Vehicles (SPVs). For details, see Note 1 "Reporting Entity" to the audited financial statements in the Annual Report that form an integral part of this Annual Corporate Governance Report.

### 2.2.9 Succession Planning

AlRayan Bank has established a comprehensive **Succession Plan** to ensure continuity of leadership under all circumstances. The plan is reviewed at least annually by the Board Corporate Governance, Nominations and Remuneration Committee (CGNRC).

The Succession Plan is designed to analyze and anticipate the Bank's human resources needs, identify key positions, and designate potential successors. It places strong emphasis on developing the skills and readiness of identified individuals to assume leadership roles when required.

The plan operates at two focus levels:

- **High Focus Level:** Positions of the Group Chief Executive Officer (GCEO), his direct reports, and other roles reporting directly to the Board.

- **Medium Focus Level:** Critical positions across business and operational functions.

For each high or medium focus position, a principal is identified along with at least one or two potential successors. The Human Resources Department ensures that tailored development programs are in place for these individuals to prepare them for future responsibilities. The plan also prioritizes the development of Qatari talent, with the objective of enabling qualified nationals to assume leadership positions. In addition, it incorporates an emergency recruitment mechanism to address unforeseen circumstances and ensure uninterrupted leadership continuity.

AlRayan Bank's succession planning for key leadership roles includes a structured assessment of diversity within the succession pool. The Bank is committed to improving gender diversity in positions critical to the organization and among identified successors. In 2025, women represented 45% of the succession pool for these key roles, reflecting the Bank's ongoing commitment to inclusion and balance.

As of 31 December 2025, the Succession Plan was updated and formally submitted to the Qatar Central Bank, demonstrating compliance with regulatory requirements and transparency in governance practices.

At the Board level, the Corporate Governance, Nominations and Remuneration Committee (CGNRC) endeavors to maintain an appropriate succession plan for Board members in accordance with applicable laws, regulations, and AlRayan Bank's Articles of Association. This ensures continuity of leadership and alignment with the Bank's governance framework.

### 2.2.10 Chairman of the Board

Pursuant to Article (24) of AlRayan Bank's Articles of Association, the Chairman of the Board serves as the President of the Company and represents it before the courts and third parties. The Board Terms of Reference (TORs) further define the role and responsibilities of the Chairman in accordance with applicable laws, regulations, and the Bank's Articles of Association.

HE Sheikh Mohamed Bin Hamad Bin Qassim Al Thani currently holds the position of Chairman of the Board. As of 31 December 2025, the Chairman discharged all duties in full compliance with the laws and regulations. He ensured that each Board

member received all necessary information and clear reports on matters to be presented to the Board well in advance of meetings, enabling members to prepare thoroughly and make informed decisions. Invitations and agendas for Board meetings were circulated at least two weeks prior to each scheduled meeting, allowing members sufficient time to review and request additional items for inclusion. At the start of every meeting, the Chairman ensured that the agenda was formally approved by the members before proceeding.

In line with Article (24) of the Articles of Association, the Corporate Governance Charter, and the Board TORs, the Chairman is not permitted to sit on any Board subcommittee or assume any executive role within the Bank. Consistent with these requirements, the Chairman does not serve on any Board subcommittee and does not hold any executive responsibilities.

At the shareholder level, the Chairman maintains ongoing engagement with shareholders, particularly on strategic matters, thereby ensuring transparency and alignment between the Board and the Bank's stakeholders.

For further details, refer to section 3.1 "Board of Directors" under "Corporate Governance Disclosures."

### 2.2.11 Board Committees and Delegation of Tasks

The Board delegated parts of its responsibilities to several sub-committees: the Executive Committee of the Board (EXCOB), the Group Audit Committee (GAC), the Compliance and Risk Committee (CRC), and the Corporate Governance, Nomination and Remuneration Committee (CGNRC). Board committees were established in accordance with the provisions of the Governance Regulations and specific banking requirements. All Board's committees function within defined and written Terms of Reference approved by the Board. Decisions taken at sub-committees' level are presented to the full Board for endorsement.

For details, see section 3.2 "Board Committees" under "Corporate Governance Disclosures".

### 2.2.12 Board Functioning Process

The functioning of the Board of Directors—including invitations to meetings, frequency of meetings, decisionmaking procedures, and other related matters—is defined in AIRayan Bank's Articles of Association, particularly Articles (31) to (36), as

well as in the Board Terms of Reference (TORs). As of 31 December 2025, there were no breaches of the Board functioning process, which remains fully compliant with the Governance Regulations applicable in the State of Qatar.

### Key Features of the Board Process

- **Corporate Calendar:** Approved towards the end of each year, the calendar sets the schedule for Board and committee activities and meetings for the following year.
- **Meeting Invitations and Agenda:** Invitations and initial agendas are circulated to Board members at least two weeks prior to each meeting, followed by supporting documents and reports to enable directors to prepare for discussions. Members may request additional information at any time through the Company Secretary.
- **Disclosure to QSE:** Dates and key agenda items for meetings convened to discuss financial results or other material matters that may affect the share price are disclosed to the Qatar Stock Exchange (QSE) in accordance with applicable rules governing Closed Periods.
- **Management Reporting:** At each meeting, the Group CEO presents a periodic report on major events, activities, projects, and initiatives. Departmental heads are invited to join discussions on matters relevant to their business areas, enhancing the Board's understanding of proposals.
- **Chairman's Oversight:** In addition to Board meetings, the Chairman meets separately with individual directors and committee chairpersons to discuss management performance and other matters requiring close oversight.
- **Independent Advice:** The Board may seek advice from independent consultants at any time to support the discharge of its duties and responsibilities.
- **Conflict of Interest:** Directors must disclose any direct or indirect interests in agenda items under consideration and are prohibited from participating in discussions or voting on such matters.
- **Disclosure of Resolutions:** Major resolutions passed by the Board are disclosed immediately after meetings to the QSE and published on AIRayan Bank's website, social media channels, and in the media.

### 2.2.13 Company Secretary

## Corporate Governance

Pursuant to Article (26) of AlRayan Bank's Articles of Association (AOA), the Board of Directors shall appoint a Company Secretary who must hold a university degree and possess the appropriate expertise for the position. The Company Secretary is responsible for organizing the work of the Board, convening General Meetings, drafting and signing the minutes of Board meetings together with the Chairman and all Board members, and performing other duties as determined by the Board. With the approval of the Chairman, the Secretary may seek assistance from Bank employees as necessary to fulfill these responsibilities. Appointment or dismissal of the Company Secretary may only be effected by a resolution of the Board.

The role of Company Secretary is currently held by Mr. Tony Merhej, who was appointed under Board Resolution No. 4/6/2021 dated 12 December 2021, with a direct reporting line to the Board. The Board has approved a Charter of the Company Secretary, which defines the role and responsibilities of the Secretary in accordance with applicable laws, regulations, Board requirements, and the Bank's AOA.

The Company Secretary works closely with the Chairman of the Board and the Chairpersons of Board committees to arrange Board and committee meetings. He plays a vital role in facilitating communication between the Board and Senior Management and supervises the implementation of the Group Corporate Governance framework.

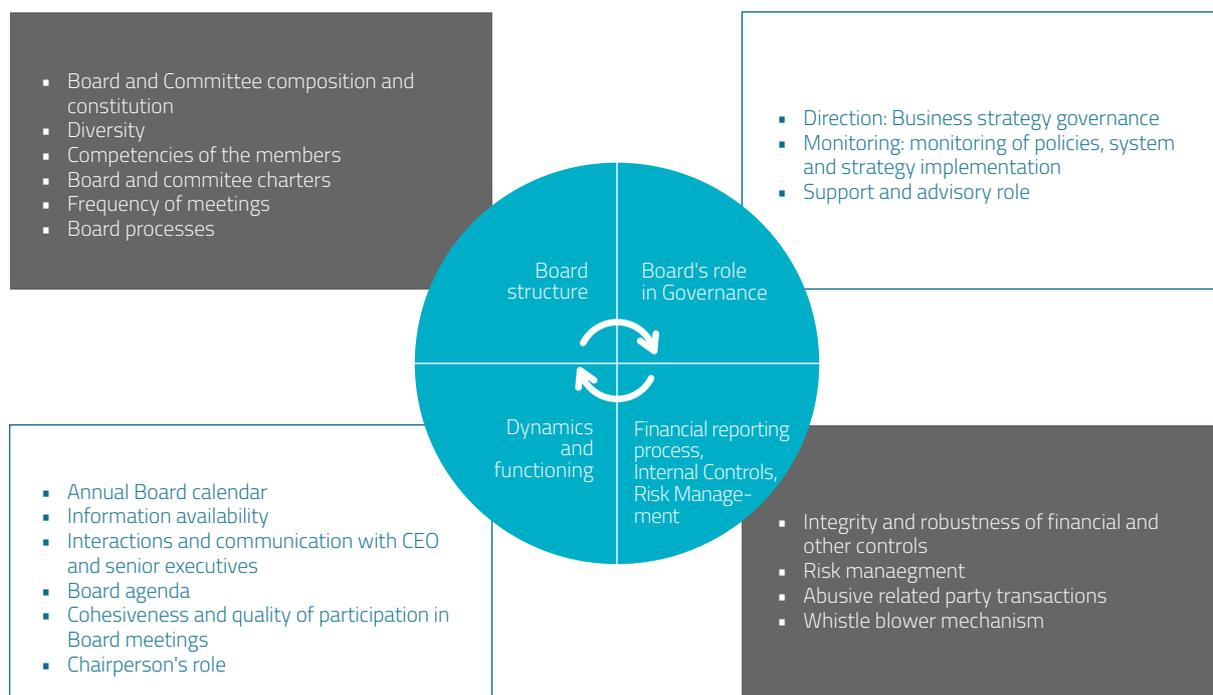
Mr. Merhej holds a Master's degree in Linguistics and Legal Translation, including legal studies, and has over 18 years of experience in corporate governance, compliance, and legal affairs. As of 31 December 2025, he had fully discharged his duties in compliance with applicable laws and regulations. Mr. Merhej held zero shares in AlRayan Bank as of 31 December 2025.

### 2.2.14 Performance Assessment

At Board level, the Board of Directors and its committees are committed to regular evaluation of their effectiveness. To this end, an annual assessment exercise is conducted by the Corporate Governance, Nomination and Remuneration Committee (CGNRC) in accordance with a defined evaluation process. The outcome of the assessment, together with recommendations for enhancing the Board's efficiency and functions, is escalated by the CGNRC to the full Board of Directors for discussion and appropriate action.

The effectiveness of the Board is measured against a set of predefined parameters. The 2025 evaluation exercise assessed the Board's performance against the following criteria:

Overall, the review conducted for 2025 concluded that the Board was performing well as an engaged



governance body.

At the level of Senior Management and employees, AlRayan Bank has established a comprehensive system to measure overall performance through the Balanced Scorecard. This framework defines both financial and nonfinancial goals and targets for the Group and translates the Bank’s longterm strategy into measurable key performance indicators.

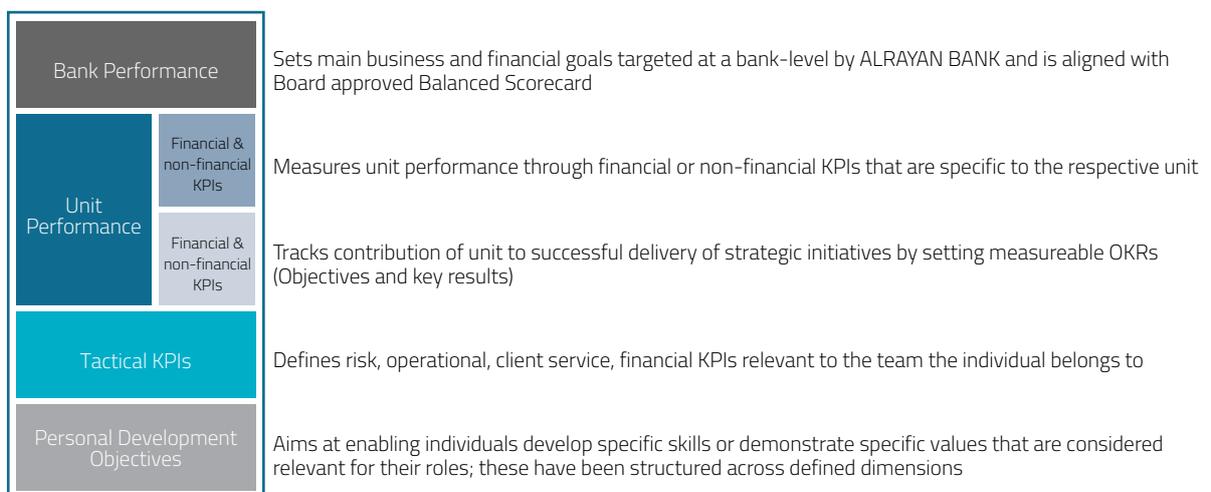
At the beginning of each financial year, the Balanced Scorecard targets are presented to the Board of Directors for discussion and approval. Regular updates are subsequently provided to the Board on the progress made in achieving the agreed targets. The methodology provides a unified and structured view of the Bank’s achievements, covering financial outcomes as well as operational, customer, and organizational development objectives.

The Bank’s compensation program is firmly linked to the Balanced Scorecard. Individual awards are dependent on the achievement of performance goals, thereby ensuring alignment between employee incentives and the Bank’s strategic objectives.

At the end of each year, the final score achieved under the approved Balanced Scorecard is audited by the Internal Audit Department, with reports submitted to the Board for review and oversight.

As of 31 December 2025, AlRayan Bank achieved, in all material respects, the goals set under the approved Balanced Scorecard for the year.

The Bank updated its Performance Management System in line with the new LEAD strategy. The new performance scorecard for all employees will comprise of 4 key categories as follows:



Overall weights for all the categories will be pre-defined. Weights for individual metrics within Tactical KPI and Personal Development Objectives will be defined by individual with approval from managers. Mid-year check of objectives and targets will be conducted followed by year-end performance assessments.

For details, see section 3.1 “Board of Directors”, section 3.2 “Board Committees” and section 3.5 “Incentives and Remunerations” under the “Corporate Governance Disclosures”.

### 2.2.15 Annual Assessment of Independent Directors

In addition to the annual evaluation of the Board, the Corporate Governance, Nomination and Remuneration Committee (CGNRC) conducts an annual assessment of the independence of the independent directors in accordance with applicable regulations.

## Corporate Governance

A structured assessment process has been developed to evaluate the independence of each director. This process requires every independent director to provide specific disclosures, enabling the Bank to identify and verify whether any changes have occurred during the year that could affect their independent status.

Based on the disclosures received, the 2025 annual assessment confirmed that the independence of all independent directors remained unchanged. As of 31 December 2025, no circumstances had arisen that would impact their status as independent directors.

### 2.2.16 Induction and Development

At Board level, the Terms of Reference (TORs) ensure that ongoing development and learning opportunities are available to directors. These programs are designed to enhance their skills and knowledge and to keep them fully updated on legal and regulatory developments as well as the latest international practices relevant to the Bank's operations.

The Corporate Governance, Nominations and Remuneration Committee (CGNRC) oversees Board development programs and workshops to ensure that all directors receive appropriate training, both individually and collectively, throughout their tenure. For the current Board term (2023–2025), the CGNRC approved a Board Development and Training Program in cooperation with an independent consultancy firm. The program requires each director to complete one compulsory training session in specific areas and one optional session tailored to individual development needs. These sessions must be conducted within the first two years of a Board term.

In addition, the Board Election and Nomination Policy, approved by the General Meeting, requires the Bank to provide an induction program for newly appointed directors. The induction program equips new members with comprehensive information and documentation on the functioning of the Board and its committees, the Bank's overall activities and business, and an overview of their duties and obligations under applicable laws, regulations, and the Bank's Articles of Association (AOA). A Board of Directors Manual has been developed to cover all these aspects.

The induction program also includes individual meetings with Senior Management, auditors, and regulators, as appropriate, as well as an introduction to the Bank's strategy, activities, and business. In 2025, Mr. Khamis Al Kuwari successfully completed his induction program following his appointment as a director by the Ministry of Defense to represent its interest as a major shareholder on the Board.

Director's development in 2025:

Director	Board Training sessions conducted in 2025						
	Strategy briefings	BCM & Resilience/ Crisis Management	3 <sup>rd</sup> Party Risk Management	Cyber security	AML/CFT and Fraud considerations	Conflict of interest Management	Regulatory landscape (ESG, Pillar 2, QFMA New CG Code)
Sh. Mohamed Bin Hamad Bin Qassim Al Thani	√	√	√	√	√		
Sh. Hamad Bin Faisal Bin Thani Al Thani	√	√	√	√	√		
Ahmed Ali Al Hamadi	√	√	√	√	√	√	√
Nasser Jaralla Jaralla <sup>1</sup> (director from 1 January to 30 June 2025)	√			√	√		
Sh. Ali Bin Jassim Al Thani	√	√	√	√	√	√	√
Sh. Nasser Bin Hamad Bin Nasser Al Thani	√	√	√			√	√
Mohamed Jaber Al Sulaiti	√	√	√	√	√	√	√
D Abdulrahman Al Khayareen	√	√	√	√	√	√	√

Director	Board Training sessions conducted in 2025						
	Strategy briefings	BCM & Resilience/ Crisis Management	3 <sup>rd</sup> Party Risk Management	Cyber security	AML/CFT and Fraud considerations	Conflict of interest Management	Regulatory landscape (ESG, Pillar 2, QFMA New CG Code)
Mohamed Al Saadi	√	√	√	√	√	√	√
Abdulla Hamad Al Misnad	√	√	√				
Abdulla Al Romaihi	√	√	√	√	√	√	√
Khamis Mubarak Al Kuwari <sup>1</sup> (director from 1 July to 31 December 2025)	√	√	√			√	√

<sup>1</sup> During 2025, Mr. Nasser Jaralla Al Marri was replaced by Mr. Khamis Al Kuwari, who was appointed to the Board by the Ministry of Defense/Armed Forces Investment Portfolio, a major shareholder of AlRayan Bank. This appointment was made in accordance with the Bank's Articles of Association and reflects the shareholder's right to representation on the Board

At the Senior Management and employees' level, AlRayan Bank has established a dedicated Talent Management Unit within the Human Resources Department. This unit is responsible for developing and implementing training and development plans and projects aligned with the Bank's strategy and objectives, subject to Board approval.

As of 31 December 2025, the Talent Management Unit successfully organized and completed approximately 20,000 training hours.

The Department has achieved significant milestones in enhancing the skills and capabilities of the Bank's workforce. Key achievements include:

- **Comprehensive Training Programs:** Delivered a diverse range of programs tailored to the needs of all departments across the Bank.
- **Development of Qatari Nationals:** Implemented targeted development plans to prepare Qatari talent for leadership roles.
- **Mandatory Training for All Employees:** Ensured dissemination of banking knowledge, technical expertise, risk management practices, and essential soft skills.
- **Customer Experience Focus:** Introduced specialized training programs designed to optimize service quality and branch operations.

This strategic focus on training and development has significantly strengthened the overall customer journey and reinforced AlRayan Bank's position as a leader in delivering exceptional banking services.

## 2.3 At Internal Control Level

### 2.3.1 Internal Control and Risk Management

In adherence to our commitment to sound corporate governance, the Bank has implemented and maintained a robust system of internal control. Internal controls form an integral part of our daily business and operations with our customers. The Board of Directors has the overall and ultimate responsibility to maintain sound internal controls and ensure their effectiveness. On an on-going basis, internal control is a critical responsibility undertaken by our Management and staff, and includes the implementation of appropriate policies, frameworks, procedures, segregation of duties, and the periodic assessment of controls to manage risks.

## Corporate Governance

The internal controls and risk management were established for the purpose of protecting the Bank's business and operations against abusive conduct, fraud, and inefficiency, ensuring accuracy and reliability in operations and financial reporting; ensuring compliance with the regulations; and evaluating the level of performance on all functions and business units within the Group.

### Key Components of Internal Controls

The Bank's key components of internal control are classified into five different elements which are aligned with COSO framework. Each component work together to achieve our objectives. The following components helps us implement and maintain an effective internal control system.

- Control Environment – Our Board of Directors and the Management fosters a culture of integrity and ethical behaviour setting the tone at the top.
- Risk Assessment – Rigorous risk assessments are conducted regularly to identify and evaluate potential risks impacting the operations of the Bank.
- Control activities – Policies and procedures are in place and regularly reviewed to mitigate identified risks, including segregation of duties and authorization controls.
- Information and communication – Transparent communication channels within the Bank are in place to ensure timely dissemination of information, both internally and externally.
- Monitoring- Continuous monitoring mechanisms are utilized to assess the effectiveness of internal controls like internal and external audit.

Some of the key controls currently being implemented to address specific risks aligns with the above components include:

1. The Bank's Board Group Audit Committee is fully independent from Executive Management.
2. The Bank has an independent Group Internal Audit function which reports directly to the Group Board Audit Committee.
3. Sharia Supervisory Board (SSB) is appointed by shareholders at the General Assembly Meeting.
4. The Bank keeps separate internal control functions such as (1) Compliance and AML (2) Risk (3) Legal; and (4) the Shari'a Audit that reports directly to SSB.
5. Issuance of an independent assurance report to the shareholders, as mandated by QFMA, on effectiveness of design and operation of internal controls over financial reporting and compliance with corporate governance regulations.
6. A dedicated Financial Planning and Control Unit.
7. Periodic reports to the Group Audit Committee by External and Group Internal Audit of the status of audit matters.
8. Periodic reports to the Group Compliance and Risk Committee of the Board by Compliance and Risk departments on risk and compliance matters.
9. An independent report from SSB to General Meeting on compliance with Sharia principles.
10. Governance, Risk and Control Management Committee (Group Risk Committee) meet monthly to discuss control gaps and track the effectiveness of the remediation actions
11. The Bank's policies are approved by the Board of Directors.
12. Monthly report to the Group CEO on the status of the internal control matters.
13. Standard Operating Procedures are approved by Senior Management.
14. The Bank maintains a Delegation of Authority Matrix approved by the Board of Directors.
15. Dual signatories are required for significant and critical transactions.
16. Approved organization charts for each function and enforcement of appropriate segregation of duties
17. Centralized Core Banking System that enhances controls' environment.
18. Identification and monitoring of Key Risks Indicators (KRIs).
19. Business Continuity Plan and periodic testing of the Plan.
20. Proper mechanism for development and revision of policies pre-Board approval that ensures policy documents are reviewed by all control functions and controls are embedded into the policies.

21. Documented approved Job Descriptions for all employees.

### 2.3.2 Evaluation of Compliance with Internal Control and Risk Management Frameworks

The Bank has an effective and robust internal control, Operational Risk and Compliance Framework designed to identify and manage risk, primarily facilitated by an established and maturing bank-wide control foundation.

The establishment of effective internal controls and risk departments to identify and manage risk is primarily the responsibility of management with responsibility of oversight with the Board. Internal Audit undertakes annual, dynamic and engagement levels independent assessments of risks and related controls that mitigate risks and submits audit reports to Management and Board for timely action to ensure mitigation.

The Board of Directors oversees the internal control framework through the Group Audit Committee, which in turn relies on the Group Internal Audit function to provide objective assurance across AlRayan Bank Group.

A comprehensive internal control framework supports the Bank in achieving its goals and objectives. The framework ensures that the Bank follows applicable laws and regulations and that it complements internal strategy, policies and procedures. The existence of such an effective control framework mitigates the risk of potential financial losses or damage to the Bank's strategy and reputation.

The cornerstone of the internal control framework lies within the layered organization structure. Accountability (3 lines of defense) can be defined as such:

- **1<sup>st</sup> line of defense** = Business and Operations – Identifies and reports risks
- **2<sup>nd</sup> line of defense** = Operational Risk Management, Legal and Compliance and Sharia Audit– reviews, assesses, tests and monitors risks
- **3<sup>rd</sup> line of defense** = Group Internal Audit – scheduled annual audit plan to provide the Board and management with independent, risk-based, and objective assurance, advice, insight and foresight.

Thus, the previously mentioned important combination of management control and Internal Audit ensures that AlRayan Bank maintains prudent standards of governance, risk management and control processes.

According to the evaluations conducted in internal control in 2025, the results show that the processes and mechanisms applicable at internal control and risk management levels are functioning properly and there are no major areas of concern.

### 2.3.3 Board's Report on Internal Controls over Financial Reporting

The Board of Directors of AlRayan Bank (Q.P.S.C) has carried an assessment of internal control over financial reporting as of 31 December 2025 in accordance with the Governance Code for Listed Companies issued by the Qatar Financial Markets Authority (QFMA) Board, pursuant to Decision No. (5) for 2025 (the 'Code').

#### Responsibilities of the Board

The Board of Directors of the Bank is responsible for establishing and maintaining effective internal controls over financial reporting.

Internal control over financial reporting is a process designed by, or under the supervision of, the Management, and effected by the Board of Directors, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Bank's financial statements for external purposes in accordance with Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organization for Islamic Financial Institutions("AAOIFI") as modified by the Qatar Central Bank (QCB). It includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank.
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with AAOIFI as modified by the Qatar Central Bank (QCB), and that receipts and expenditures of the Bank are being made only in accordance with the authorizations of management and Board of Directors of the Bank; and

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- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Bank's assets that could have a material effect on the financial statements.

The Board of Directors is responsible for the design, and maintenance of adequate internal controls that when operating effectively would ensure the orderly and efficient conduct of its business, including:

- adherence to Bank's policies;
- the safeguarding of its assets;
- the prevention and detection of frauds and errors;
- the accuracy and completeness of the accounting records;
- the timely preparation of reliable financial information; and
- compliance with applicable laws and regulations, including the QFMA's law and relevant legislations and the Governance Code for Listed Companies issued by the Qatar Financial Markets Authority (QFMA) Board, pursuant to Decision No. (5) for 2025.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis.

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

### Management assessment

In this section, we provide description of the scope covered by the assessment of the suitability of the Bank's internal control over financial reporting, including the significant processes addressed, control objectives and the approach followed by management to conclude its assessment.

The Bank is required to report on the suitability of the design and operating effectiveness of internal controls over financial reporting ("ICOFR") in

connection with the Governance Code for Listed Companies issued by the Qatar Financial Markets Authority (QFMA) Board, pursuant to Decision No. (5) for 2025.

We have conducted an evaluation of the suitability of design and operating effectiveness of internal control over financial reporting, as of 31 December 2025, based on the framework and criteria established in Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

### Scope of assessment

Our internal control framework over financial reporting is the process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Bank's financial statements for external reporting purposes in accordance with Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI") as modified by the Qatar Central Bank (QCB). ICOFR includes controls over disclosure in the financial statements and procedures designed to prevent misstatements.

In assessing suitability of design and operating effectiveness of ICOFR, the management has determined Significant Processes as those processes in respect of which misstatement in the stream of transactions or related financial statements amounts, including those caused by fraud or error would reasonably be expected to impact the decisions of the users of financial statements.

The Significant Processes of the Bank as of 31 December 2025 are:

1. Corporate and retail financing,
2. General ledger and financial reporting
3. Trade finance,
4. Deposits,
5. Procurement, payables and payments,
6. Treasury and investments,
7. Human resources and payroll.

The evaluation also included an assessment of the design, implementation and operating effectiveness of entity level controls and IT general controls.

### External auditors

In accordance with the Code, PricewaterhouseCoopers Qatar Branch, the Bank's independent external audit firm has issued a reasonable assurance report on the management assessment and the suitability of design and operating effectiveness of the Bank's internal control framework over financial reporting. For details, see Appendix II at the end of this Annual Corporate Governance Report.

### Board of Directors' Conclusion

Based on management assessment, the Board of Directors concluded that, as of 31 December 2025, the Bank's internal control over financial reporting is appropriately designed and operating effectively to achieve relevant control objectives based on the criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

#### 2.3.4 Procedures followed by AlRayan Bank in addressing Internal Control failures:

The effectiveness and compliance to the control framework is managed through the following Control vehicles:

- RCSA = Risk and Control Self-Assessment (annual self-certification process)
- KRI = Key Risk Indicators (reported within the Quarterly Risk Review Process)
- Incident Management Process
- An independent Internal Audit process

The ongoing monitoring and effectiveness of controls is managed through Operational Risk and periodically and systematically audited by Internal Audit.

The Board of Directors is responsible for ensuring that there is an appropriate control culture bank-wide and oversees the adherence to the framework by all concerned through the regular reports submitted to the Board by the internal control functions (Compliance, Risk, Internal Audit and Sharia Audit).

Senior Management is responsible for coordinating and facilitating the implementation of the control framework and addressing risk related issues.

Senior Management ensures that all controls are always functioning effectively and coordinates with the Business, Operations, Support Services, Operational Risk, Compliance, Internal Audit and Sharia Audit, to resolve control weaknesses reported by the control functions in a timely manner.

Internal Audit has continuous involvement in the verification and reporting of the adequacy of the control framework. If Internal Audit identifies control weaknesses through the regular audit process or otherwise, Management will provide Internal Audit with its action plan for mitigation of identified deficiency. Each action plan will have a target due date for resolution and depending on the severity and potential impact of the risk to the Bank, the remediation action is prioritized. The progress of the follow up is reported to the Group CEO in a monthly Status Report and the critical items to the Group Audit Committee bimonthly.

As of 31 December 2025, there were no material control deficiencies identified which could have had a material adverse impact on the financial statements.

#### 2.3.5 Risk Management and Risk Review

The risk governance structure at AlRayan Bank consists of five layers comprising of the following:

**Level 1:** Board of Directors

**Level 2:** Board Compliance and Risk Committee (Board CRC)

**Level 3:** Senior management committees: Group Risk Committee (GRC), Credit and Investment Committee (CIC), Group Asset, Liability and Capital Committee (GALCCO), Group Special Investigations Committee (GSIC), and Group Security Steering Committee (GSSC), Environment, Social and Governance Committee (ESGC), Executive Data Governance Committee (EDGC)

**Level 4:** Group Risk Management: Enterprise Risk Management, Credit Risk Management including Credit Documentation, Remedial Management/ Collections, Market Risk Management, Liquidity Risk Management, Operational Risk Management, Fraud Risk Management, Business Continuity Management, and Security Risk Management

**Level 5:** Business Units

The overall responsibility for ensuring robust risk management rests with the Board of Directors (Level 1), while the execution of the oversight at Board level

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sits with the Board Compliance and Risk Committee (Level 2). The Board CRC has the overall responsibility of ensuring that adequate policies, procedures, and methodologies are in place for risk management, and that they are properly implemented.

Supporting the Board CRC are the senior management committees (Level 3) that cover the various aspects of risk management.

Group Risk Management is fully independent from the commercial lines of business. The Group Chief Risk Officer reports directly to the Board Compliance and Risk Committee and indirectly the Group Chief Executive Officer.

The Group's risk management framework includes a robust set of policies approved by the Board CRC, procedures and supporting documents. The main responsibilities of Group Risk Management are to manage credit and counterparty risk (including credit documentation); market and liquidity risk; information, cyber and physical security risk; enterprise risk; operational risk, operational resilience, and fraud risk; and to ensure compliance with risk-related central bank regulations.

Risk appetite is a fundamental part of the AlRayan Bank Group's Enterprise Risk Management framework, which deals with the identification, measurement, control and reporting of the significant risks faced by the organization. The strong risk culture of the Group both facilitates and is reinforced by risk appetite, which aligns business and organizational strategy, people, processes, and infrastructure.

In line with international best practice, the Risk Appetite Statement is the articulation of the level and types of risk the Group is willing to accept, or avoid, to achieve its objectives. It includes both qualitative and quantitative statements. The Risk Appetite Framework is the overall approach, including policies, processes, controls, and systems through which the risk appetite is established, communicated, and monitored.

The Bank has dealt with several emerging or new risks. Climate risk has become a key focus, and an ESG Committee has been formed to deal with this. Work continues to develop and implement the metrics to measure and manage climate risk.

The Bank has also launched a new strategy and digital application, both of which included members of the Risk team as key stakeholders. Units involved

in this include Information Security, Operational Risk, Fraud Monitoring, Collections, and Credit Risk. All elements of risk involved in these were identified, assessed, and managed.

Below is an overview of risk governance in AlRayan Bank and the role of each component of Group Risk Management.

### **Risk Management – Group entities**

The risk strategies and policies are developed at Group level and adopted by each Group entity taking local regulatory requirements into consideration. In addition, risk models and methodologies are rolled out on a Group basis to ensure consistent measurement and reporting of risk exposures.

The Heads of Risk at Al Khalji France SA (AKF) and AlRayan Bank UK (ARB) have dual reporting lines, one to AKF General Manager and ARB CEO respectively, and an indirect reporting line to the Group Chief Risk Officer. AKF and ARB have local risk committees to oversee the monitoring and management of risks. Risk Management of AL Rayan Investment is under AlRayan Bank's Group Risk department.

### **Enterprise Risk Management (ERM)**

The Enterprise Risk Management function is primarily responsible for risk analytics and credit portfolio management of the Group encompassing regulatory and compliance matters related to IFRS 9 and Basel frameworks including Basel III and its related reforms. This is done through the development of credit models including risk ratings estimation of probability of default (PD), estimations of loss given default (LGD) and estimations of exposures at default (EAD). All customers are assigned to a stage indicating their credit risk: Stage 1 (performing), Stage 2 (significant increase in credit risk), Stage 3 (non-performing). These inputs are used for the estimation of expected loss to ensure the ECL calculations are adequate, as well as for risk-adjusted performance measurement and stress testing purposes. In addition, ERM team ensures that all the regulatory models used for estimation for ICAAP and IFRS 9 ECL provision are annually validated and calibrated with latest available idiosyncratic and systemic data to ensure robustness, accuracy and compliance. Thus, Model risk is actively managed through regular monitoring and rigorous governance.

ERM team plays a critical role in ensuring a robust Internal Capital Adequacy Assessment Process (ICAAP). The ICAAP reviews the Bank's risk framework and governance, risk measurement tools and models, and capital adequacy by ensuring all the risks of the Bank are assessed adequately; and forms a key element of the Group's capital planning and recovery planning process. Risks are identified through a group-wide risk assessment. The risks considered include credit and counterparty risk, market risk, and operational risk, as well as liquidity risk, concentration risk, profit rate risk in the banking book, strategic, reputational and climate risks. These risks are measured against the available capital of the Bank in normal and various stressed conditions, facilitating a rapid response to any unexpected changes in the risk and capital position of the Bank and support formulation of mitigation strategies to address the potential risk issues. Both the ICAAP policy and the ICAAP submission to the Qatar Central Bank are approved by the Board CRC.

As part of the ICAAP, and an important part of overall risk management, ERM also developed and maintains the stress testing program to measure the impact of credit, market, and liquidity stresses on the capital, funding, and earnings positions of the Group. Stress testing includes both regulatory stress scenarios as well as stringent internal risk requirements which are run regularly and monitored by the GRC and GALCCO.

The ERM team is actively leading the integration of Environmental, Social, and Governance (ESG) considerations and climate risk into the Bank's risk management framework and decision-making processes. This initiative is fully aligned with the Qatar Central Bank's (QCB) Supervisory Principles for ESG, ensuring that sustainability-related risks are systematically identified, assessed, and embedded within the Bank's governance structure, risk appetite, and capital planning frameworks.

In addition, ERM drives several critical risk initiatives, including monitoring and maintaining the Risk Appetite Framework, managing Group Risk Committee of the Management (GRC) and the Board Compliance and Risk Committee (CRC) dashboards, automating regulatory reports and risk dashboards, and overseeing the Bank's Recovery Plan. These efforts collectively strengthen risk governance, enhance transparency, and support proactive risk management.

## Credit Risk Management

The Credit Risk Management function at AlRayan Bank covers credit analysis and credit underwriting for Wholesale Banking and Personal Banking, as well as Credit Administration involving documentation, disbursement authorization, and collateral custody. Various Credit Approving authorities within the Group are defined in Group Credit Approval Authority Policy which is approved by Board and/or Board CRC and delegated to different approval bodies starting from the Board itself, the Board Executive Committee, the management Credit and Investment Committee and to lower credit committees at management level. The banking subsidiaries of the Group adopts the same credit approval structure.

Credit Risk Management ensures the segregation of credit analysis and assessment from the business origination functions. The Group Credit Approval Authority Policy designates the appropriate level for the approval of credit and counterparty limits depending on the risks of an individual facility.

The Board CRC approves the Group Credit Risk Policy, which sets out the Group's credit risk appetite and creates a framework for the lending activities of the Group, particularly regarding underwriting credit and investment risk, assessing acceptable support and collateral, recognizing and treating non-performing loans, as well as outlining the requirements for portfolio management, product programs, and remedial/collections management.

The Group credit portfolio is monitored to ensure all aggregate exposures are in line with the Group's risk appetite and regulatory limits. This includes monitoring of portfolio characteristics such as portfolio risk ratings, country risks, and industry concentrations, which are reported to the GRC and the Board CRC. The Bank is particularly focused on ensuring concentration risk is identified, measured, and reported accurately. This allows optimization of the portfolio on a sectoral level. Credit quality is also tracked closely, both at initial approval of limits and throughout the lifetime of facilities, to ensure compliance with the risk appetite of the Group. Credit quality is tracked both qualitatively via comprehensive annual reviews and quantitatively via ECL and stress test frameworks.

Non-performing exposures are monitored on an ongoing basis, and these, along with the IFRS 9 results, NPF ratios and coverage ratios for all Group entities and the Group as a whole are reported to the GRC and the Board CRC.

### Remedial Management and Collections

The Bank has established a timely monitoring and efficient remedial management process from soft collections through to legal recovery. The collections process is performed by a specialized team to optimize cash collections and collection income. Collection results are reported to the senior management through GRC and to the Board CRC. The function also handles and manages the process for criminal actions that are filed against delinquent clients. Overdue amounts totaling more than QAR 800 million were recovered in 2025 as a result of intervention by the unit.

### Market Risk Management

The Market Risk Management function at AlRayan Bank forms part of the Market and Liquidity Risk Department, which also incorporates the Liquidity Risk Management, Product Control, and Middle Office functions. These functions are independent of the Bank's business units, including Treasury, thus ensuring clear segregation of duties to avoid conflicts of interest.

The Board CRC approves the Group Market Risk Management policy to ensure transparency over its portfolios and to manage the Bank's exposure to market risk based on recommendations made by GALCCO. This policy sets out a market risk appetite and accompanying market risk limits, and defines processes for identifying, aggregating, managing, monitoring and communicating market risks on a timely basis.

The Market Risk Management function identifies existing and potential future market risks through active day-to-day portfolio monitoring and reporting, and through ongoing engagement with the business units. The function uses market standard valuation techniques, and dealer/counterparty monitoring, to provide GALCCO and the business units with independent valuation and attribution analysis of the Bank's financial instruments and investments.

Additionally, Market Risk Management performs regular stress tests of the Bank's positions subject to profit rate and FX (Foreign Exchange) risks and reports the results to GALCCO. Furthermore, the Market Risk Management function supports the business units by providing analysis for new products and investment proposals, which includes identification of potential risk exposures, as well as

suitable modeling and valuation techniques.

### Liquidity Risk Management

The Board CRC at AlRayan Bank approves the Group's Liquidity Risk Management Policy, including the Contingency Funding Plan, based on recommendations made by GALCCO. The Liquidity Risk Management function is independent of all business functions, including Treasury, and is responsible for the management of the Bank's liquidity risks and funding risks as defined in the Group Liquidity Risk Management policy.

Liquidity Risk Management is responsible for regular reporting, analyses and recommendations to GALCCO, and provides extensive analysis and reporting to the Treasury and other business units. This covers operational liquidity at an intraday level and tactical liquidity dealing with access to funding sources. An additional strategic perspective encompasses the maturity profile of all assets and liabilities. Stress tests based on internal and regulatory requirements are conducted to complement regular liquidity analysis and provide insight into the potential impact of a wide range of adverse scenarios.

AlRayan Bank is aligned with QCB Basel III guidelines incorporating the calculation and reporting of the LCR (Liquidity Coverage Ratio) and NSFR (Net Stable Funding Ratio) monthly at Bank and Group levels.

### Operational Risk and Resilience Management

The Board Compliance and Risk Committee approves the Operational Risk Management Framework and policies based on recommendations made by Group Operational Risk. The ORM and Operational Resilience policies are reviewed annually as part of the Operational Risk Management framework.

Information on operational incidents and losses, key risk indicators (KRIs), risk and control self-assessments (RCSAs), information on Operational Resilience, customer complaints and insurance management are reported to the Management's GRC monthly and to Board's CRC quarterly.

### Operational Risk Management (ORM)

ORM is responsible for the oversight of operational risk, including the risk of loss resulting from inadequate or failed internal processes and systems, human factors, or external events. The

Group seeks to minimize actual or potential losses from operational risk failure through a framework of policies and procedures that identify, assess, control, manage and report those risks. Operational risks are managed at Group level through a Board approved operational risk management framework in accordance with QCB instructions and Basel III guidelines. The ORM function uses a comprehensive operational risk management tool. The tool is intranet-based and workflow driven, enabling the Group to proactively manage the measurement, monitoring and reporting of operational risks using the modules for Incident Management, Loss Data Collection, RCSAs, and KRIs.

### Operational Resilience

Operational Resilience supports the Group in the event of an emergency or business disruption and provides plans and procedures to recover key business processes in a well-structured manner. The Operational Resilience policy and processes are following Qatar Central Bank regulations.

AlRayan Bank has a Business Resilience policy describing the process whereby AlRayan Bank ensures the maintenance or recovery of operations, including services to customers, when confronted with adverse events such as natural disasters, technological failures, human error, terrorism or pandemics.

The Group entities undertake an annual Business Impact Analysis to quantify the impact of disruption to the business. All businesses and functions within the Bank own a Business Continuity Plan, consisting of structured directive-based procedures for continuity of business during and following a disaster. The critical applications used by the Bank are covered by a Disaster Recovery Plan, which consists of procedures to undertake recovery of the Bank's critical applications and states the Recovery Time Objectives and Recovery Point Objectives of the Bank's critical applications and functions. The unit also carries out periodic risk assessments for critical processes, critical third-party service providers, systems, and applications. This business continuity and IT DR exercise allows the Bank to implement measures to mitigate any possible risk identified during risk assessment against various threats.

In the event of a disaster, the Group's operationally critical staff move to alternate sites in order to support the expedient and efficient recovery of the Group's key business processes. The Group has

established a "Crisis Management Team". The Bank's BCM plans and procedures are subject to rigorous periodic tests and exercises to ensure seamless execution and are certified by Qatar Central Bank on an annual basis. In addition, the Bank is certified for the global ISO 22301 certification for business continuity by complying with best international practices.

### Insurance Management (Risk Transfer)

Insurance management plays a key role in operational risk management through risk transfer. The Group has a portfolio of insurance policies, of which the Bankers Blanket Bond covers significant Group risk transfer requirements. Emerging risks are monitored and escalated to the GRC for their consideration and decision. Additionally, any new banking product, service or outsourcing of a process is analyzed for additional operational risk exposure and for potential transfer of such risks.

### Service Quality

Service Quality is a core component of AlRayan Bank's operational framework and is managed within the Risk function alongside Operational Risk, Resilience, and Insurance. The Bank has established structured processes to monitor and enhance customer experience across all channels.

Key elements include:

- **Complaint Intake & Acknowledgment:** The unit receives complaints through various channels (e.g., Call Center, Central Bank, Branches) and ensures timely acknowledgment to reassure customers that their concerns are being addressed.
- **Root Cause Analysis:** Each complaint is investigated thoroughly to identify underlying issues, whether they stem from process gaps, employee behavior, or product/service shortcomings.
- **Resolution & Follow-up:** The SQ team coordinates with relevant departments to implement corrective actions and communicates resolutions clearly to customers. Follow-ups are conducted to ensure satisfaction and prevent recurrence.
- **Trend Monitoring:** By analyzing complaint patterns, the unit identifies systemic issues and recommends improvements to policies, procedures, or training programs.

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- **Customer Advocacy:** Acting as the voice of the customer within the organization, the SQ team ensures that customer feedback is integrated into strategic decision-making.

By embedding service quality into the broader operational risk and resilience framework, AlRayan Bank ensures that customer satisfaction and trust remain central to its operations.

### Fraud Risk Management (FRM)

The primary objective of Fraud Risk Management is to mitigate the risk of fraud and misconduct occurring within the Group, as well as reducing fraud losses. It consists of an effective fraud risk management framework and focuses on three major principles: fraud prevention, fraud detection, and fraud resolution.

Fraud Risk Management includes a comprehensive Group Fraud Risk Management Policy and standardized operating procedures. Operating procedures are categorized and cover two fraud elements:

- Internal Fraud, including but not limited to, employee fraud, payment fraud, procurement fraud
- External Fraud, including but not limited to, fake document scams, card fraud, POS fraud, phishing, fraudulent fund transfer

The Bank uses comprehensive card fraud monitoring tools driven by standard rules that enable issuer and acquirer fraud detection and prevention.

A key responsibility of FRM is to facilitate Group-wide fraud awareness through different channels, such as SMS, emails, social media, and in-person training.

### Information, Cyber and Physical Security

The Information, Cyber and Physical Security Unit manages a complex ecosystem in which critical financial information resides and ensures there is the necessary protection applied for the growing number of security threats. In line with the regulatory requirements of QCB and industry best practice of maintaining independent Security Risk Management, this unit maintains independence from all operations including IT, Business and Facilities.

During 2025, the Bank achieved the National Information Assurance (NIA) Certification from Qatar's National Cyber Security Agency (NCSA),

demonstrating compliance with national and international cybersecurity standards. PCI DSS and ISO 27001 certifications were renewed and upgraded, reinforcing the bank's commitment to robust information and payment card security management.

Security is embedded as a core stakeholder in the bank's digital transformation projects, ensuring that risk identification, assessment, and mitigation are integral to all major initiatives. The Bank is committed to staying at the forefront of security technologies by making strategic investments in cutting-edge solutions aligning the Bank's strategy to robust defense. The Bank has upgraded the physical security infrastructure including surveillance systems and access control aligning with the commitment to safeguarding not only digital assets but also the physical premises and infrastructure.

Multiple awareness campaigns were conducted, including Cybersecurity Awareness Month, with high participation rates among staff. Data Classification and Leakage Prevention controls were strengthened for proactive cyber defense.

Some of the measures that AlRayan Bank utilizes to ensure appropriate and continuous security management are:

- Physical Security Teams for day-to-day security operations
- Management of the Logical System and Physical Access
- Maintain Regulatory Compliance and Standards in accordance with requirements of QCB Technology Risk Circular, National Information Assurance (NIA), Qatar Cyber Security Framework and Industry Standards such as PCI DSS and ISO 27001.
- Continuous monitoring for Cyber Security threats
- Third Party assessments
- Regular awareness sessions for staff
- Monitoring online abuse of AlRayan Bank Brand
- Vulnerability Assessment and Penetration Testing
- Oversight of SWIFT Security controls and the Customer Security Program
- Forensic Analysis on any cyber security breach attempts
- Policies to establish and maintain security standards

### 2.3.6 Legal Affairs and Litigations

AIRayan Bank has a dedicated Legal function to manage legal risk across the Group. Legal is responsible for:

- Monitoring and mitigating legal, operational and reputational risk for the Group in conjunction with the control functions;
- Providing legal advice and recommendations to the Senior management and the Board as required;
- Providing legal support to all business and support functions;
- Managing and monitoring litigation matters for the Group; and
- Managing external lawyers appointed by the Group

The Legal Department enhances the Group’s profile in the market and contributes to its profitability by ensuring that the business functions are conducted in the right legal manner. A matter which will ultimately offer customers (both locally and internationally) international standard transactional capabilities which conform to the appropriate legal documentation. The provision of efficient in-house legal services and control of legal, operational and reputational risk contributes directly to the Group’s bottom line, and the market value of the brand.

In 2025, no material litigation was initiated against AIRayan Bank with merit that would impact its financial position. However, AIRayan Bank has a number of legal cases against certain customers for defaulting on their loans and credit facilities in an attempt to recover its funds and protect its rights and the right of its shareholders and depositors. The said cases are still before the courts. They are dealt with in accordance with the banking secrecy regulations set forth by the Qatar Central Bank.

During 2025, the Legal Department has raised a total number of civil and criminal cases to protect AIRayan Bank’s rights as detailed below:

Legal Case Stage	# of cases in 2025	Total amount in QAR
Civil Cases Initiated (No Court Decision yet)	16	1,532,682,955.47
Civil Cases Under Enforcement	83	775,579,045.17
<b>Total</b>	<b>99</b>	<b>2,308,262,000.64</b>

For details on recoveries, see Remedial Management and Collections under section 2.3.5 Risk Management and Risk Review.

### 2.3.7 Financial Crime Combat, Compliance and AML

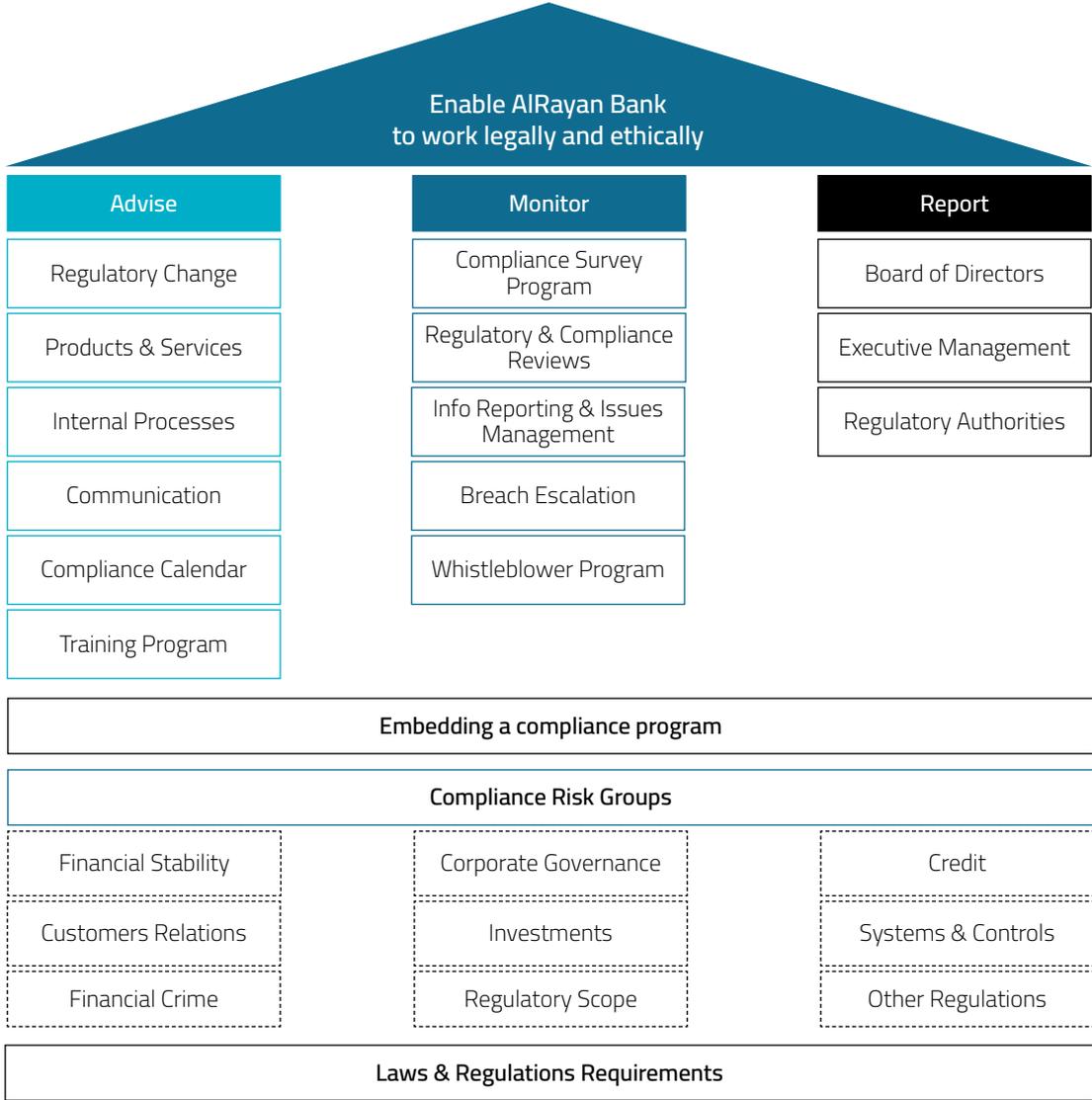
AIRayan Bank has a dedicated Group Compliance and AML department that ensures compliance is embedded into every level of the organization and aligned with the Bank’s business strategy. To ensure compliance activities retain their independent functioning, AIRayan Bank Board made sure the Group Compliance and AML department reports directly to the Board Compliance and Risk Committee. For Group oversight purposes, Compliance/AML departments in the subsidiaries report directly to their respective general managers and indirectly to the Group Compliance and AML department.

The Group Compliance and AML department in AIRayan Bank is responsible for recommending and implementing strategies, policies and procedures for compliance with regulations and combating financial crimes including AML/CFT. This consists of ongoing assessment of relevant risks, determining mitigation plans, monitoring transactions including electronic transactions and reporting to concerned bodies.

#### Compliance Culture

AIRayan Bank have taken several measures to ensure compliance is embedded into every level of the organization and aligned with the Bank’s business strategy. As AIRayan Bank operates across multiple jurisdictions, we have assessed the regulatory requirements of the different local, regional and international regulatory authorities and incorporated any relevant requirements into the Bank’s practices. As legislation continues to evolve, it is important to proactively monitor any new regulations or amendments and mitigate any potential risks posed by regulatory changes as they emerge.

The process starts with us developing a strong understanding of the relevant compliance environment in which we operate. From this starting point we create our risk-based priorities and then allocate resources and attention accordingly. Next, we divide our compliance program activities into three main pillars: advise, monitor and report.



These three pillars support the ability of AlRayan Bank and its business functions to develop and grow both legally and ethically. By implementing a compliance culture across the organization, these pillars help us to earn the trust of regulators and key stakeholders.

To ensure compliance activities retain their independent functioning, the group compliance department continues to report directly to the board compliance and risk committee. Compliance departments in the subsidiaries also report directly to the general manager and indirectly to the group compliance department. Internal auditing processes ensure that a robust compliance framework is being proactively implemented.

**Anti-Money Laundering and Counter Terrorism Financing**

AlRayan Bank compliance function is responsible for combatting money laundering and terrorism financing, as well as for performing ongoing risk assessments, defining mitigation strategies, monitoring transactions electronically, and reporting to different stakeholders.

AlRayan Bank takes a serious approach to meeting the legal requirements for all the jurisdictions in which it operates. It also participates in global efforts to combat financial crimes and terrorist financing.

To do this we invest in the latest technologies, frameworks and qualified resources that enable us to develop and implement the best market practices and mitigation plans currently available. Our practices ensure that we prioritize all our activities and business relationships according to their associated risk levels, due diligence and monitoring procedures.



At AlRayan Bank, every business relationship is assessed against defined risk parameters that comply with the relevant regulatory requirements for that jurisdiction. All our business relationships are subject to different 'Know-Your-Customer' procedures. They are then taken through a reduced, standard or enhanced due diligence exercise according to the level of risk they are judged to pose to the Bank. The applied risk model ensures that we focus our efforts and resources on mitigating potential high-risk relationships and activities.



The Bank avoids establishing business relationships with any customer before due diligence measures are performed. This includes the potential customer's beneficial owner and business associates, which will need to be identified as part of the due diligence process.

**Violations and Penalties**

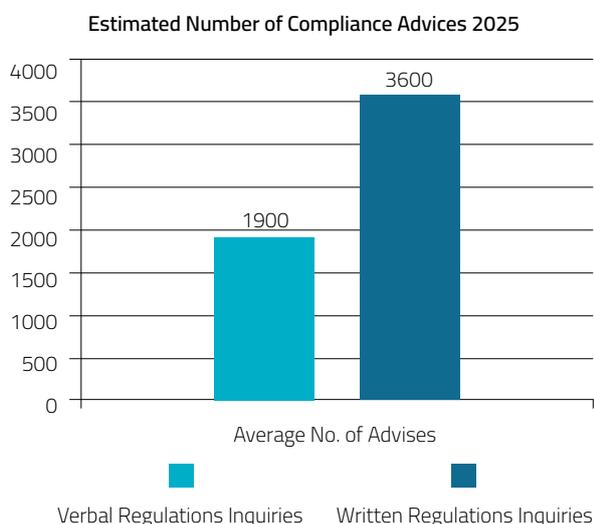
No violations, breaches or penalties took place in AlRayan Bank within the meaning of the provisions of Article (4)- clause (2) of the QFMA Code or that may impact the financial position of the Bank as of 31 December 2025.

**Key Activities in 2025**

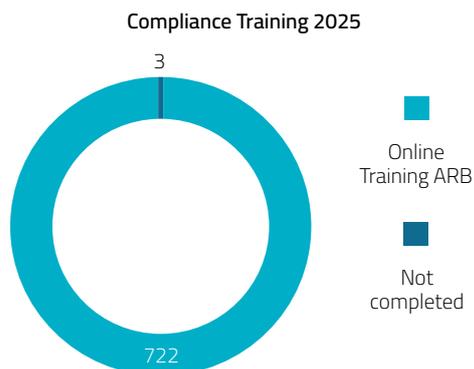
During 2025, Compliance department implemented several strategic initiatives to strengthen its compliance framework and operational transparency:

- **Regulatory Compliance Monitoring System:** A new system was introduced to enhance monitoring and ensure adherence to regulatory requirements across the Bank. The AntiFinancial Crime – Dow Jones Ultimate Beneficial Ownership (UBO) Management System was deployed across multiple departments. This solution strengthens onboarding and ongoing monitoring processes. It supports the Bank's commitment to transparency, data integrity, and compliance with international standards, including FATF Recommendations 24 and 25, which emphasize timely and accurate beneficial ownership information for legal persons and arrangements.

- Trade Transparency – PurpleTRAC Vessel and Container Movement Tracking Solution:**  
 Integrated within the first and second lines of defense (Trade Finance operations and Compliance), this solution enhances trade transparency and risk mitigation. It is available to all customers using AlRayan Bank’s trade finance services for daily transaction processing.
- Regulatory and Compliance Advisory:** The Compliance Department provided approximately 5,400 regulatory and compliance advisory services to employees and management in Qatar. These covered the embedding of regulatory requirements into transactions, customer onboarding, policy and procedure reviews, and business product programs.



- Training and Awareness:**
  - Conducted classroom training for new recruits and frontoffice employees in Qatar.
  - Delivered online, inhouse developed Financial Crime Compliance training, including AML/CFT modules, across the Group’s jurisdictions.
  - A total of 722 employees successfully completed the training and assessments during the year.



### 2.3.8 Group Internal Audit

The Group Internal Audit function (the “GIA”) is an independent division within AlRayan Bank Group (ARBG) reporting directly to the Group Audit Committee of the Board. GIA strengthens the bank’s ability to create, protect and sustain value by providing the board and management with independent, risk based and objective assurance, advice, insight and foresight. GIA enhances the organisation’s:

- successful achievement of its objectives;
- governance, risk management and control processes;
- decision-making and oversight;
- reputation and credibility with its stakeholders; and
- ability to serve the public interest.

#### GIA Structure

Across the Group there are four Internal Audit (“IA”) teams as follows:

- AlRayan Bank GIA based in Qatar – covering all Group entities (inc. AlRayan Bank Qatar, Al Rayan Investment LLC (Qatar), AlRayan Bank (UK), Al Khaliji France (France) and Al Khaliji France (UAE));
- AlRayan Bank IA based in the UK;
- Al Khaliji France IA that is comprised of two teams:
  - one based in France; and
  - the other based in the UAE.

GIA is headed by the General Manager, Group Internal Audit (GMGIA), who reports functionally to AlRayan Bank Group Board of Directors through the Group Audit Committee, ensuring the independence of the Audit functions across the Group. Each of the other IA teams are led by a Country Head of Internal Audit (CHIA) with functional reporting lines to the GMGIA and will report into their local Audit Committee / Board.

As of 31 December 2025, GIA comprised five specialized audit units, each unit including Subject-Matter Expert auditors with extensive experience and related qualifications in a variety of subjects, including Financial Crime Compliance, Operations, Credit, ICT and Cybersecurity, Financials and Risk Modelling.

## Strategy

### Group Strategy

The Group's mission is "To provide quality banking experiences to our clients, centered around meeting their needs through upscale and innovative offerings and talented and empowered employees". The vision is "The leading Islamic bank and partner of choice for clients, investors, and employees alike". This vision has been translated into three years Strategy and tangible objectives across each pillar (**LEAD**) and 33 Initiatives:

**L:** Leaders in customer centricity.

**E:** Execution excellence.

**A:** Accelerated disciplined growth.

**D:** Drive towards one-bank goals.

### Internal Audit Strategy

In line with the above Group Strategy, and in conformance with Global Internal Audit Standards (GIAS), GIA has documented an IA Strategy that details strategic (**SPOT**) objectives which are supported by specific initiatives, timelines, and actions to guide implementation over the next 4 years (incorporating the last year of the previous Audit Cycle plus the current new three-year Audit Cycle).

**S** for **STRATEGIC ADVISOR**: Strategic Partner and Risk Advisor which is balance and result driven.

**P** for **PROCESS UPLIFTMENT**: Independence and Objectivity; Continuous Improvement; Quality Assurance and Improvement Program.

**O** for **OPERATIONAL EXCELLENCE**: Proficiency and Professionalism; Talent source for the organisation.

**T** for **TECHNOLOGY**: Add value through efficiency; Advance use of Technology.

### **Assurance and Advisory Services**

#### Assurance Services

Services through which internal auditors perform objective assessments to provide assurance. GIA is responsible for independent audit and assurance engagements covering all the Group's departments, branches and subsidiaries in all jurisdictions.

In compliance with the Qatar Central Bank, Basel and Institute of Internal Audit guidelines, the GIA has developed a Risk-Based-Internal-Audit Approach (RBIA) based on a rolling three-year Audit cycle. The RBIA directs the GIA in prioritizing and allocating resources to riskier areas / product / service / project where they are most required.

#### Advisory Services

Such services through which Internal Auditors provide advice to the bank's stakeholders are undertaken without providing assurance or taking on management responsibilities. The nature and scope of advisory services are subject to agreement with related stakeholders.

GIA's regular interaction with the Group Board, Group Management and the extensive review of various areas across the Group puts GIA in a unique and valuable position and enables us to help the Group meeting its strategic initiatives and improve its systems and processes through Advisory services.

When performing Advisory services, the internal auditor maintains their objectivity and does not assume management responsibility. To ensure its independence and objectivity, the GIA routinely assesses impairment issues while providing advisory services to the Board and the Management. As an independent reviewer, GIA also conducts reviews of new and amended policies in a consultant capacity.

#### **GIA Framework**

The GIA's conduct and operation are in accordance with the:

- Laws and regulations and international practices including but not limited to, QCB, QFCRA, QFMA, Bank of England, Banque De France and UAE Central Bank rules, Basel and Global Internal Audit Standards (GIAS);
- Group Internal Audit Charter approved by the Group Audit Committee of the Board of Directors;
- Group Internal Audit Methodologies approved by the Group Audit Committee of the Board of Directors.

When conducting Assurance audits and Advisory engagements in subsidiaries in foreign jurisdictions, GIA considers the rules, regulations and instructions as issued by the regulators of those jurisdictions.

## Corporate Governance

The Internal Audit Charter grants the GIA unrestricted access to all records, data, systems and personnel of the Group for audits and related assignments.

GIA, acting as third line, provides an independent assurance on the effectiveness of the implemented internal control framework. This arrangement, of incompatible responsibilities, ensures that the Group always remains in control.

The GMGIA will ensure that the GIA and Countries' Audit teams remain free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing and report content. If the GMGIA determines that independence or objectivity may be impaired in fact or appearance, the details of impairment and or non-cooperative behaviour will be disclosed to the Audit Committee / Board.

### IA Risk Assessment

At the start of each year, the respective IA teams across the Group perform a detailed organization wide risk assessment of the Audit Universe. In performing this risk assessment, consideration is given to:

- Regulatory Requirements
- Strategic Projects and Initiatives
- Risk Based evaluation.
- Fraud Risk Assessment.
- Other Assurance Providers.

Based on the outcome of the assessment, a risk based three-year audit cycle will be formulated that will generate the annual audit plan (covering both Assurance and Advisory engagements). In addition, a dynamic risk assessment is conducted and presented to the Audit committee.

### Quality Assurance and Improvement Program (QAIP)

A QAIP has been adopted by GIA and Country Audit teams with an objective of continuous improvement and adoption of best practices, including quality of governance activities and structures, professional practices and communication process.

The QAIP enables continual evaluation of:

- Conformance with Global Internal Audit Standards ("GIAS");
- The adequacy of the GIA's charter, goals, objectives, policies and procedures;
- The contribution to the Group's governance, risk management and control processes;
- Completeness of coverage of the entire audit universe;
- Compliance with applicable laws, regulations and government or industry standards to which the GIA may be subject;
- The risks affecting the operation of the GIA / Country Internal Audit (CIA) itself;
- An appraisal of the efficiency and effectiveness of the IA activities within the Group as well as identification of opportunities for improvement;
- The effectiveness of continuous improvement activities and adoption of best practices;
- Whether the GIA and CIA teams adds value, improves the Group's operations and contributes to the attainment of objectives.
- The implementation of the Audit Strategy, plan, and achievement of performance objectives

GIA actively supervises the internal audit functions of all the subsidiaries within the Group. The oversight primarily entails approving the audit plans, reviewing audit work and reviewing the audit reports before issuance through Internal Quality Assurance (IQA) team in AlRayan Bank Qatar (ARBQ).

### Culture

GIA enhances and promotes control awareness and risk culture across the Group. Building an informed risk culture and raising control awareness that will lead to a stronger control environment and less disturbance to the operations of the Group.

The department also believes that stronger transparency results in improved stakeholder confidence and actively encourage Management Self-Identified Observations (MSIOs) throughout all engagements.

In addition, GIA report to the Audit Committee on any identified culture observations, potentially caused by inadequate actions or behaviour of the management / employees and on any audit observations that may be culture related.

## Audit Technology Solutions

GIA's Audit Management System (AMS) is used to record details of the audit universe / auditable entities, annual risk assessments, audit planning and scheduling, providing a paperless audit work paper environment, allows online internal quality assurance and enables the efficient sharing of best practices between the Internal Audit functions within the Group.

## Key Achievements and Developments in 2025

### Audit Plan

GIA successfully completed the Internal Audit Plan 2025 as approved by the Group Audit Committee. The Plan included 112 engagements covering all regulatory requirements and various risks of the Bank. As of 31 December 2025, none of the audit observations would adversely impact, in all material aspects, the financial position of the Bank.

### GIAS Implementation

Implementation of the GIAS requirements into the Group Internal Audit methodologies has resulted in the enhancement of the following key Internal Audit documentation:

- Audit Strategy and guidance for assessment / SWOT;
- Group Internal Audit Charter;
- Group Internal Audit Methodology Manual (replacing the current policy and procedures Manual) including forms, approaches, Internal Quality Assurance program and External Quality Assurance assessment, surveys and declarations;
- Root Cause Categories and Analysis;
- Group Audit Plan, Training Plan, Resources Plans, Technology Plan and overall budget;
- IA Objectives for all IA teams across the Group;
- Job Descriptions (JDs) for all IA Functions across the Group;
- Succession Plan.

### Audit Technology Plan

During 2025, GIA enhanced its technology coverage as follows:

- Increase in AMS User Licenses: with the increase in Qatar based IA staff headcount, additional licenses were purchased for 2025.

- AMS Upgrade: our software vendor is continually enhancing the audit management solution to cater for new initiatives, such as the new GIAS requirements. AMS has been upgraded to the latest version (April 2025).
- AMS Reporting Add-on: To enhance GIA's reporting capability through AMS, a reporting add-on (reporting API), that works through Microsoft Power BI, was purchased.
- Data Analytics Application: To enhance GIA's data analysis / testing capability, GIA purchased the data analytics tool "TeamMate Analytics".

### Training

During 2025, audit staff from across the Group participated in over 1265 hours of different educational training programs / sessions, which included numerous sessions / workshops on the new GIAS / Internal Audit Ethics / Professional Audit Skepticism; ICT related introduction courses (specifically designed for non-ICT auditors), and various online financial sector-based webinars.

## Future Outlook

Due to recent advancements in the technology, changing risks and increased transaction volume and more focus on customer experience, GIA will be focusing on emerging and systemic risks that may have impact on the performance of the Group and keep the Board and Management informed and updated on a timely basis.

GIA will continue to make better use of advancements in technologies as part of its audits. Having successfully implemented an upgrade to the audit management software, in Qatar, during 2025, GIA will continue to expand usage of the functionality available within the system, as well as rolling out the system to include the subsidiary businesses.

### 2.3.9 Finance and Financial Control

The Group's Finance Department is a key pillar of the Group's support infrastructure, providing planning, annual budgeting day-to-day financial accounting services and a multitude of reporting to meet internal and external requirements and obligations.

It records financial transactions, performs analysis and prepares financial reports that inform the Groups board, executive management, regulators, shareholders and investors about the Group's financial position.

## Corporate Governance

The department also ensures that internal policies and procedures comply with applicable regulatory requirements and acceptable industry practices.

The department is responsible for the design and implementation of a sound system of:

- Accounting, and Financial controls;
- External and regulatory reporting;
- Internal financial performance measurement and management information;
- Other analytics such as budgeting and scenario planning;
- Investor relations

### External Reporting

- Audited annual consolidated financial statements, in addition to three quarterly sets of externally reviewed financial statements.
- Monthly and other periodic reporting to regulators, in Qatar, United Kingdom, United Arab Emirates and France.

### Internal Reporting and Management Information

- Develops and produces daily, weekly and monthly reporting to a variety of internal stakeholders that highlights key income movements and business drivers across business units, products, geographies and segments.
- Analyzes income performance and develops briefing packs for Senior Management and provides source data for presentations to management, rating agencies and investors.
- The department looks to continuously improve the quality and detail of data capture to support value added performance management reporting.
- Monitor, identify and analyze trends across specific divisions to understand business drivers, working closely with internal stakeholders in providing directions on matters of financial planning and budgeting processes.

### Group Asset, Liability and Capital Management Committee

GALCCO is Chaired by the Group Chief Financial Officer and is mandated to strategically guide the Group's asset, liability and capital structure considering prevailing and expected market and economic conditions within both external/regulatory and internal approved risk and operational

boundaries, which includes supervisory oversight of the subsidiaries' meetings.

### Other Analytics

Budgeting, forecasting and scenario planning to support planning and strategy for the Group and the subsidiaries is managed by the Group Finance unit.

### 2.3.10 Sharia control

#### Shari'a Supervisory Board

Pursuant to Article (41) of AlRayan Bank's Articles of Association (AOA), the Bank must appoint a Shari'a Supervisory Board (SSB) consisting of knowledgeable specialists in Shari'a rules related to Islamic financial transactions. The SSB ensures that all activities undertaken by the Bank comply with the principles of Islamic Shari'a.

On 15 March 2023, the General Meeting of shareholders, upon the recommendation of the Board, appointed three members to the SSB for the mandate period 2023–2025. This mandate expires at yearend 2025, and nominations for the new mandate (2026–2028) will be presented for shareholder approval at the next Annual General Meeting convened to approve the 2025 financial statements.

As of 31 December 2025, the SSB consisted of the following scholars:

- **His Eminence Sheikh Dr. Walid bin Hadi**  
Chairman
- **His Eminence Sheikh Dr. Sultan Ibrahim Sultan Khalifa Al Hashemi** – Member
- **His Eminence Sheikh Dr. Mohamed Ahmaine**  
Member

#### Responsibilities of the SSB

The work of the Shari'a Supervisory Board includes:

- Reviewing contracts and agreements to ensure Shari'a compliance.
- Answering Shari'arelated questions and providing guidance on complex issues.
- Developing solutions to challenges arising during implementation.
- Supervising the Bank's activities and business operations to ensure correct application of Shari'a provisions.

- Overseeing the implementation of SSB decisions across the Bank.
- Submitting an annual report to the General Assembly at its annual meeting.

### Sharia Audit

AlRayan Bank has established a Shari'a Audit Department with a direct reporting line to the SSB. The department acts as a vital link between Senior Management and the SSB by:

- Relaying inquiries, clarifications, new products, contracts, agreements, and investment funds to the SSB for approvals, instructions, and fatwas.
- Conducting audits to ensure the correct implementation of SSB instructions and fatwas.
- Holding training courses to qualify employees on handling Shari'acompliant products and contracts, including investment deposits and financing tools.

Through these responsibilities, the Shari'a Audit Department ensures that the Bank's operations remain fully aligned with the provisions of Islamic Shari'a and that employees are equipped with the necessary knowledge to uphold these standards.

## 2.3.11 Support Functions

### 1. Group Human Resources

The Human Resources (HR) function at AlRayan Bank is responsible for managing all employee-related matters, including policy administration, recruitment, compensation and benefits, compliance with employment and labor laws, new employee induction, training and development, personnel records retention, wage and salary administration, and employee assistance programs. HR works closely with other departments to support their needs and ensure alignment with the Bank's strategic objectives.

### Qatarization and National Development

In line with the Bank's Qatarization strategy, several Qatari nationals were promoted and appointed into leadership roles during 2024–2025, reflecting AlRayan Bank's commitment to nationalization and its ability to recruit, develop, and retain highly qualified Qatari talent. Recruitment efforts continued in collaboration with the Ministry of Labor, reinforcing the Bank's role in supporting Qatar's National Vision 2030.

Key initiatives included:

- Engaging Qatari staff in building Career Development Plans.
- Sponsoring and participating in the KawaderMalia project conducted by QFBA.
- Developing comprehensive training rotational programs with the support of Bank management and departments.
- Offering student sponsorships and internships in collaboration with Qatar University and other institutions.
- Sponsoring national programs organized by QFBA such as Future Asset Program and Train the Trainer.
- Providing internship opportunities for Qatari students at the Qatar Banking Studies and Business Administration School and QFBA.
- Participation in over 6 career fairs organized by universities and schools to attract potential graduates.

### Employee Engagement and Employer of Choice

The Bank continues to enhance HR systems, policies, practices, and workplace culture to retain and attract talent. Results from the latest employee engagement survey indicate a high satisfaction rating, underscoring AlRayan Bank's success in positioning itself as an Employer of Choice.

### Talent Acquisition, Learning and Development

Talent Acquisition and Learning & Development programs serve the Bank's strategic objectives by ensuring adequate succession planning at all levels.

Highlights include:

- Technical training and professional development workshops to unify and raise service levels among frontline staff and enhance technical competencies.
- Achievement of approximately 20,000 total training hours across employees.
- Delivery of mandatory regulatory training such as AML/CFT for all staff.

### Diversity and Inclusion

AlRayan Bank maintains notable gender diversity across departments and employs a workforce representing a wide range of nationalities. This diversity enriches the Bank's culture, fosters creativity, and drives innovation.

## 2. Group IT and Operations

### Driving Innovation, Ensuring Trust

In 2025, AlRayan Bank reinforced its position as a leader in banking technology and operational excellence within Qatar's financial sector. This year marked significant progress in the Bank's digital transformation journey, driven by innovation, compliance, and customercentricity. The IT and Operations functions worked seamlessly with the wider organization to deliver secure, efficient, and futureready solutions that enhanced customer experience and operational resilience.

### Information Technology Achievements

Our IT team successfully implemented key Qatar Central Bank (QCB) mandates, including Himyan Card Tokenization, Avios Rewards integration, and QATCH ON-US, alongside enabling real-time card data feeds and foreign currency transactions on RTGS. These initiatives reinforced compliance and security while expanding service capabilities.

We continued to enhanced our Digital Banking App, offering a redesigned interface, biometric authentication, and innovative features such as Pockets, card issuance via kiosks, transaction controls, and integration with loyalty platforms. Personalized dashboards and financial insights further elevated customer engagement, driving adoption and positive feedback.

For corporate clients, we introduced a new dedicated Corporate Banking Solution, enabling bulk payments, payroll processing, trade finance, and secure approval workflows. These enhancements reduced turnaround times, improved transparency, and strengthened relationships through digital convenience.

Infrastructure upgrades were another cornerstone of 2025. Key projects included hardware implementation to support the Corporate solution, Enhanced DevOps processes, SD-WAN deployment, Desktop upgrades across our entire landscape, and Executive and Operational Dashboards for advanced

analytics. These upgrades fortified our technology backbone, ensuring scalability and operational agility.

### Operational Excellence

Operations faced a challenging yet rewarding year, spearheading transformative initiatives across payment, treasury, and trade systems. We successfully launched new retail and corporate platforms supporting multi-currency transactions and became one of the first banks to adopt ISO 20022 global standards for international payments, earning recognition from global clearers and SWIFT.

Our Straight Through Processing (STP) initiatives accelerated transaction lifecycles, winning a global clearer award and reinforcing operational resilience. We embedded robust quality controls across second and third lines of defense, upgraded critical systems, and collaborated closely on regulatory projects to ensure smooth industry-wide implementations.

Cost optimization remained a priority, with streamlined workforce structures and innovative revenue strategies offsetting operational expenses. These efforts reflect our commitment to efficiency without compromising service quality.

### Looking Ahead

As AlRayan Bank prepares for 2026, focus will shift to core banking system upgrades, advanced process transformations, and deeper fintech collaborations. By continuing to innovate while upholding the highest standards of compliance and security, the Bank remains dedicated to delivering cuttingedge financial services and shaping the future of banking in Qatar.

## 3. Corporate Communications

In 2025, The Corporate Communication team continued to solidify the Bank's deep commitment to corporate social responsibility (CSR), treating it as a core pillar of its corporate identity. This commitment is rooted in a set of fundamental values, compassion, inclusion, sustainability, and community engagement, and in a vision inspired by Islamic principles of justice and fairness, fully aligned with the Qatar National Vision 2030, which calls for a diversified economy, a cohesive society, and a sustainable environment.

Throughout the year, the Corporate Communication team worked to further develop an integrated approach to CSR and Environmental, Social and Governance (ESG) practices, built around

three interlinked dimensions: people first, the environment as a trust to be safeguarded, and the economy as a vehicle for creating shared value, not only for shareholders, but equally for customers, employees, the community and future generations. This approach translated into a broad range of programmes and initiatives, spanning charitable support and social protection for the most vulnerable, youth and student empowerment, enhanced employment and national talent development, environmental sustainability, expanded health awareness, and thought leadership on digital transformation and governance in the financial sector. These efforts were complemented by a series of community partnerships and international awards that reflected wide recognition of the Bank's role.

In that sense, AlRayan Bank is no longer simply a financial institution providing Sharia-compliant banking services; it has become an active partner in shaping a balanced development model that reconciles economic profitability with ethical responsibility and lasting social and environmental impact.

For further details on key Corporate Social Responsibility activities and achievements of the Corporate Communications department in 2025, see section 4 "ESG Annual Report".

## 2.4 At External Control Level

Chapter VII of AlRayan Bank's Articles of Association (AoA) sets out the external control requirements applicable to the Bank, including the appointment of an independent external auditor and the determination of its role and responsibilities. These statutory requirements are fully aligned with the local Governance Regulations.

In addition, AlRayan Bank has adopted an External Auditor Policy that clearly defines the responsibilities of external auditors and establishes the criteria for their selection. Under this policy, the Audit Committee, acting on behalf of the Board, is mandated to:

- Review and evaluate proposals submitted by external auditors.
- Consider and recommend engagement letters for approval.
- Oversee all matters related to external auditing, ensuring independence, objectivity, and

compliance with regulatory standards.

This framework ensures that external audit activities are conducted with transparency, accountability, and in accordance with both statutory and governance requirements.

In its meeting of 26 March 2025, the Annual General Meeting ("AGM") approved the Board/Audit Committee's recommendation to appoint Price Waterhouse Coopers- Qatar branch ("PWC") as external auditors of the Bank for the fiscal year ended 31 December 2025. Total statutory audit fees for the year amounted to QAR 6.885 million (2024: QAR 6.416 million), while other assurance services and other services amounted to QAR 1.037 million (2024: QAR 1.037 million) and QAR 2.728 million (2024: QAR 2.713 million), respectively. Total consideration for the services provided by auditors for the year 2025 amounted to QAR 10.650 million\* (2024: QAR 10.166 million).

\*Amounts cover auditor's fees on Group level including overseas subsidiaries. Of which, consideration for the services provided by auditors for Qatar operation only for 2025 is QAR 4.758 million. On 26 March 2025, AlRayan Bank AGM approved QAR 3.546 million as total auditing fees for PWC. The AGM also authorized the Board and/or the Audit Committee of the Board to approve any additional fees, if applicable, that might be incurred during the year because of contingent regulatory requirements provided that such fees are disclosed in the Annual Report. In 2025, the Board/Audit Committee approved an amount of QAR 1.212 million as extra fees paid to the external auditors based on the above mandate.

The external auditor conducts the review, and the audit works and issues its reports in accordance with the applicable laws and regulations and relevant international standards. The external auditor attends the General Assembly meetings to present their report and answer the shareholder's questions. As of 31 December 2025, no qualified reports were issued by the external auditors. For details or to check the external auditors' reports, please refer to the relevant AGM/EGM minutes of meetings and the audited financial statements freely accessible on AlRayan Bank's website [www.alrayan.com](http://www.alrayan.com)

## 2.5 At Transparency and Disclosure Level

### Disclosure

AlRayan Bank discloses its quarterly and end-of-year financial results in accordance with applicable laws and regulations. In addition, comprehensive information regarding the Chairman, Board members, and Senior Management—including other positions held, their respective shareholdings in the Bank, and details of major shareholders owning 5% or more of the Bank's capital—is regularly updated on the Bank's website and disclosed in the Annual Corporate Governance Report.

The Board of Directors has adopted a Disclosure and Transparency Policy that complies with the applicable laws and regulations and ensures that sensitive information is disclosed to the market in a timely, accurate, and transparent manner. The policy also establishes a framework for addressing market rumors. In line with this policy:

- The agenda of Board meetings and resolutions of a sensitive nature are disclosed to the QSE before and after the relevant meetings, as applicable.
- Shareholders, investors, and customers are kept informed of new products and business initiatives through periodic press releases published in local newspapers and on the Bank's website, with prior notification to QSE and relevant regulators.
- During General Meetings, shareholders exercise their rights to ask questions regarding the Bank's position and business.
- The Disclosure and Transparency Policy is publicly accessible on the Bank's website.

Financial statements are disclosed only after undergoing necessary reviews and audits, based on the independent report of the external auditors and the recommendations of the Audit Committee and Senior Management. This ensures that all disclosed information is accurate, correct, and not misleading in any material respect.

Nonfinancial disclosures are also subject to the Disclosure and Transparency Policy, which sets out a multilayer approval process involving the Compliance Department, Legal Department, Group CEO, and/or the Chairman of the Board, as appropriate, to ensure accuracy and appropriateness before publication.

The audited financial statements are distributed to

all shareholders with the Annual Report during the Annual General Meeting. They are also published in local newspapers and remain freely and permanently accessible on both AlRayan Bank's and QSE's websites. Furthermore, the Bank discloses the annual remuneration of Board members and Senior Management in its audited annual reports. Main activities and achievements of the Board are disclosed in the annual Board of Directors submitted to the General Meeting. The main activities and achievements of Senior Management are disclosed in the Annual Report through departmental overviews distributed to shareholders at each Annual General Meeting.

### Compliance with Listing and Disclosure Rules

As of 31 December 2025, AlRayan Bank was fully compliant with all listing and disclosure requirements set forth under the relevant laws and regulations. AlRayan Bank made all disclosures through QSE Disclosure Platform, its website, press and social media platforms and in its annual reports. For details, see section 3 "Corporate Governance Disclosures" and AlRayan Bank's website ([www.alrayan.com](http://www.alrayan.com)).

### Conflict of Interest, Transparency and Related Party Transactions

The General Meeting of shareholders adopted the conflict-of-interest management and the related party transactions frameworks under Articles (25) and (36) of the Bank's AOA.

Article (25) of the Bank's AOA prohibits the Chairman of the Board, any Board member or any member of the senior executive management to perform or engage, whether in his/her personal capacity or through any of his/her first degree relatives, directly or indirectly, in any activities that would be similar to or competitive with the activities of the Bank, or take advantage of the Bank's activities to achieve or promote his/her own interests or to achieve any commercial or personal interests. The same Article also prohibits the Chairman, Board members and members of executive management from having, whether in their personal capacity or through any of their first degree relatives, directly or indirectly, any interest in the contracts, projects and engagements entered into by the Bank or in which the Bank is a party, without any exceptions whatsoever, except for the credit facility agreements made between the Bank and any of them in accordance with the limits and controls set forth under QCB rules and regulations.

In addition, AIRayan Bank's Board TORs and Corporate Governance Framework set out the general rules governing the related party transactions. The Board also approved the Group Conflict of Interest Management Policy that sets the operating procedures on dealing with the conflict of interests and related party's matters.

Any Related Party Transaction must be approved at Board/Board sub-committee level and, at the General Assembly of Shareholders level for major transactions, as applicable, after producing the justifications for entering such transactions depending on its type and ensuring it has followed the approved process for the management of conflict of interest. In the event where a transaction involves a potential conflict with a Board member, a member from the senior management or a third party, such transaction shall be discussed in the absence of the conflicted party who must not have the right to participate in the discussions and the voting on such transaction. In all events, all related party transactions, if any, must be on arms' length basis with no preferential terms at the Bank's expense.

Pursuant to the said policy, each Board member is required to declare his/her direct or indirect interests in any of the transactions and agenda items presented to the Board. Any conflicted member must not have the right to participate in the discussions and the voting on such transaction and items. Also, each Board member and member of the senior management must disclose and update, at least annually, his/her financial interest or other interest in the Bank or its subsidiaries, or his/her connection with any of the Bank's connected persons and related parties, if any. Each director or member of senior management has signed a written statement regarding his/her compliance with the regulatory conflict of interest requirements. As of 31 December, 2025, each director and member of senior management has updated his/her annual disclosures.

The Conflict-of-Interest Management Policy also sets a framework for insider trading which prohibits trading based on material, non-public information regarding AIRayan Bank. It covers all stakeholders of AIRayan Bank who have or may have access to inside information. A list of insiders is developed and updated regularly by Compliance department and approved by the Corporate Governance, Nomination and Remuneration Committee of the Board. It is then presented to the Qatar Financial Market Authority

and QSE/QCSD. A copy of the afore-mentioned policy is delivered to the Board members, senior management, all new employees, vendors and consultants upon the commencement of their relationships with AIRayan Bank. A reminder is sent on a monthly basis to all identified insiders to keep them aware of their obligations under the applicable laws and regulations. Under this framework, AIRayan Bank monitors the trading activities related to AIRayan Bank shares by its directors and senior management. A monthly report on those activities is prepared by the Investor Relations unit and shared with the GM- Group Compliance and AML Officer and the Company Secretary. Furthermore, at the end of each quarter, the Bank publishes the QFMA's Financial Information Disclosure Form on its website and QSE's website. This form contains disclosures on trading in AIRayan Bank's shares by Board members and senior management, if any. Also, at the end of each quarter and at least 10 days prior to the Board meeting scheduled to approve quarterly financial statements, a circular on the start of the Closed Period during which trading in AIRayan Bank shares by Board members, senior management and other insiders is issued to all concerned parties to remind them of their obligations in this respect. As of 31 December 2025, no trading occurs during the Closed Period within the meaning of Article 173 of the Internal Regulation of Qatar Stock Exchange. For details on board and senior management trading in shares, see "Board Trading in Shares" and "Senior Management Trading in Shares" in sections 3.1 and 3.3, respectively, under Corporate Governance Disclosures.

As of 31 December 2025, there were no major related party transactions in the Bank's book that require shareholders' approval. There were, however, credit facilities granted to related parties. These facilities were granted at arm's length basis in accordance with Qatar Central Bank relevant rules and regulations with no preferential terms and conditions. They were approved by the concerned credit committees at the Bank in the absence of the relevant conflicted parties who did not participate in any negotiations, discussions or decisions related to such transactions. The Board CRC monitors the compliance of related party's exposures with applicable regulatory limits. As of 31 December 2025, no breach was recorded in the related parties regulatory limit.

In all events, all related parties' transactions, whether major transactions or otherwise, are disclosed in

## Corporate Governance

the Director Fees Report prepared in accordance with Article (122) of Qatar’s Commercial Companies Law No (11) of 2015 as amended by Law No (8) of 2021 and Article (39) of the Bank’s AOA and Article (26) of QFMA Code. They are also presented as part of note no. (38) of the audited EOY financials to the General Meeting for endorsement. For details, see the EOY Financial Statements as of 31 December 2025 at the end of the Annual Report which forms an integral part of this Corporate Governance Report. The Director Fees Report will be available for the shareholders’ review one week prior to the Annual General Meeting in the Corporate Secretariat office on the 23<sup>rd</sup> floor of AlRayan Bank head office in AlRayan Tower, 69 Al Add Al Sharqi Street, Marina 40, Lusail City, Doha, Qatar. In order to be able to check the Director Fees Report, shareholders must produce an updated account statement of their shares from Qatar Stock Exchange/Qatar Central Securities Depository dated no more than one week together with a copy of their IDs (in case the shareholder is a natural person) or copy of the Commercial Registration (CR), Corporate Card and an authorization letter signed by an authorized signatory on the CR and on the Corporate Card (in case the shareholder is a legal person).

## 2.6 At Stakeholders’ Level

### Board Decision making and engagement with stakeholders

The Board is committed to effective engagement with all stakeholders and seeks to understand their interests and the impacts on them when making decisions. Below is how AlRayan Bank engaged with various stakeholders and considered the impact on relevant stakeholders when making principal decisions:

Stakeholders	Engagement	Impact and outcomes
Shareholders and investors	<ul style="list-style-type: none"> <li>- Annual events such as General Meeting</li> <li>- Numerous conference calls with several investors and analysts to discuss interim and year-end results</li> <li>- Attendance of Board members including chairs of Board committees of the General Meetings to answer queries of shareholders, if any</li> <li>- Chairman and GCEO ongoing engagement with the major shareholders particularly in strategic matters</li> </ul>	<ul style="list-style-type: none"> <li>- Regular interactions with investors throughout the year helped the Board understand investor sentiment on material matters when strategizing so deliverables meet their expectations</li> <li>- See section “Engagement with Shareholders and Investors” below for details</li> </ul>
Customers	<ul style="list-style-type: none"> <li>- Introduced numerous customer experience enhancements and new digital journeys that aims at giving customers control over their most critical transactions.</li> <li>- Bank adopted a digital first customer experience delivery model. Majority of the new customer experiences are being enabled via self service capabilities with digital straight through processing.</li> <li>- Our service levels have improved between 20 to 30% year on year based on the service category signaling increased customer satisfaction.</li> <li>- Several initiatives delivered through AlRayan GO and AlRayan CorpNet, to improve customer experience, save costs and improve profitability.</li> </ul>	<ul style="list-style-type: none"> <li>- Continued engagements with customers and potential customers help AlRayan Bank’s understanding of their purposes and business needs and how they can be supported to achieve their varied goals</li> <li>- Meetings with customers provide insights into how the Bank can drive meaningful improvements in customer propositions’ outcomes</li> <li>- Ongoing engagement with customers help the Bank see the positive impact of the initiatives launched by the Bank and make necessary assessments and re-calibrations, when needed, to deliver on the Strategy goals</li> </ul>

Stakeholders	Engagement	Impact and outcomes
Employees	<ul style="list-style-type: none"> <li>- Quarterly staff Recognition for their performance and achievements.</li> <li>- Medical Insurance Survey</li> <li>- Ramadan Ghabga for employees</li> <li>- Career Fair with colleges and universities in local market</li> <li>- Organizing a series of internal activities as part of National Sports Day and National Day celebration</li> <li>- Sponsoring national talent development initiatives, including KAWADER MALIA with QFBA reinforcing the Bank's commitment to structured national talent development and leadership pipeline sustainability.</li> <li>- Align training priorities with the Bank's strategic transformation agenda and regulatory obligations to support ongoing transformation efforts and ensure full compliance with mandatory training requirements</li> </ul>	<ul style="list-style-type: none"> <li>- Meeting with colleagues allow the Board and Senior Management to hear first-hand the employee voice on important issues</li> <li>- These interactions helped to ensure continued connectivity with the workforce and inform Board's decision making around people-specific matters</li> <li>- Surveys help putting not perspective survey results and take necessary actions, where applicable</li> </ul>
Communities	<ul style="list-style-type: none"> <li>- Launching a series of programmes designed to support the most vulnerable groups and to strengthen social cohesion within Qatari society. This includes a number of donation for local charities in Qatar</li> <li>- Signed a platinum partnership agreement with the General Retirement and Social Insurance Authority (GRSIA), enabling the Bank to contribute to community-impact projects</li> <li>- Participating and sponsoring in a number of events targeting the various segments of the community.</li> <li>- Refer to section 4 "ESG Annual Report" for more details on our Corporate Social Responsibility initiatives</li> </ul>	<ul style="list-style-type: none"> <li>- AIRayan Bank participation at a range of community initiatives helped us understand the effect the Bank has on local communities as an employer, sponsor and supporter</li> <li>- Interaction with, and understanding of, the communities in which AIRayan Bank operates helped the Board and Senior Management appreciate on the Group can influence meaningful change, helping to shape policy and formulating solutions and creating supportive environments</li> </ul>
Regulators	<ul style="list-style-type: none"> <li>- Regular meetings with our regulators</li> </ul>	<ul style="list-style-type: none"> <li>- Frequent engagements between the Board and Senior Management with regulators provide an opportunity for open dialogue. It is also critical in ensuring that the Board understands and continues to meet its regulatory obligations</li> <li>- Meeting with the regulators also allows to communicate the Group's strategy, perspective and insights while ensuring that the members of the Board and Senior Management remain abreast of regulatory developments</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>- Regular reports and updates from GCOO on supplier matters</li> <li>- Meeting with key IT suppliers to discuss the Bank's innovations ambitions and how they could further support AIRayan Bank's requirements including its digitalization transformation</li> </ul>	<ul style="list-style-type: none"> <li>- Meeting with our suppliers helps us understand our suppliers' challenges and how we can work collaboratively to succeed including in digitalization</li> <li>- It is key for AIRayan Bank understand its supply chain and how suppliers' operations are aligned to our purpose and values</li> </ul>

## Corporate Governance

AlRayan Bank's Articles of Association guarantee respect of shareholders rights and principles. Chapter Sixth of the AOA and Articles (12), (38), (39), (40), (67), (68) and (72) guarantee all the rights of the shareholders set forth under the Governance Regulations. Below is a further overview of the actions taken by AlRayan Bank to put the rights of shareholders into effect:

### Engagement with Shareholders and Investors and IR Function

AlRayan Bank values open and transparent dialogue with its shareholders as well as institutional and private investors. An independent Investor Relations department is dedicated to serving as the primary contact with shareholders, investors and financial analysts.

The Investor Relations (IR) function is mandated to integrate finance, public relations and communications, marketing and regulatory compliance to allow the most effective two-way communication between the Bank and its board members, the financial community, regulators, investors and shareholders. It also manages the relations with the Qatar Stock Exchange (QSE) where the shares of the Group are listed, and with Qatar Central Securities Depository (QCSD)/EDAA. IR organizes investor meetings, earnings conference calls and road shows to increase the visibility of the Bank, enhancing its market profile and thus building its investment case.

The IR function is one of the cornerstones in planning and organizing ordinary and extraordinary general assemblies, including regulatory disclosures, as well as securing the required quorum.

Upon disclosure of results, IR organizes a conference call with investors and financial analysts on quarterly basis that includes members from Senior Management to provide further clarifications and explanations about the financial results achieved and to respond to all queries of the investors. As of 31 December 2025, AlRayan Bank conducted 4 conference calls with investors and analysts upon disclosure of its financials at the end of each quarter. Key topics addressed during the investor calls included our financial performance, ECL, updates on strategy and major risks.

The IR function is contactable by email [IR@alrayan.com](mailto:IR@alrayan.com) or by Tel +97444940673 or +97444940674.

### Shareholders Right to Information

Article (12) of AlRayan Bank's AOA guarantees access by shareholders to information that allow them to exercise their full rights without prejudice to other shareholders' rights and the Bank's interests. To this end, AlRayan Bank created a dedicated website [www.alrayan.com](http://www.alrayan.com) as the main platform to publish and disclose all necessary information required under the local laws and regulations and information that are of interest to the shareholders. The website is subject to the Disclosure and Transparency Policy approved by the Board. In addition, shareholders get free access to the information they are entitled to obtain under the applicable laws and regulations by contacting the Company Secretariat Office or the Investor Relations department. The details of the members of the Board and Senior Management as well as the Bank's constitutional documents including the Memorandum and Articles of Association, the Commercial Register, the QCB License, the minutes of General Meetings are freely accessible on the Bank's website. For details, see section "Disclosure" under 2.5 "At Transparency and Disclosure Level".

### Right to General Meetings and Equitable Treatment of Shareholders

The Bank's AOA affirms the right of shareholders to call ordinary or extraordinary general meetings and the right to add, discuss, decide and raise questions with respect to any items on the agenda of the general meetings. According to the AOA, a shareholder who attends the general meetings has the right to discuss the agenda items and question the external auditors, the Board of Directors, the senior management and the SSB who shall respond to the shareholders to the extent it does not put the Bank's own interests at risk.

In the event a shareholder is not satisfied with the answers, such shareholder shall refer the subject matter to the general meeting of shareholders whose decision in such respect is deemed final and binding. Article (12) of the Bank's AOA also ensures the fair and equitable treatment of all shareholders. It sets out that each shareholder must have a number of votes that equals his/her number of shares and that all shareholders are equal in rights and obligations related to the share in accordance with the relevant laws, regulations and resolutions. It also affirms shareholder's right to dispose of his/her share without any restrictions unless such disposal is in breach to applicable laws or regulations and

that each share entitles its owner to a share equal to that of other shares without discrimination in the ownership of the assets of the Bank and the profits divided in the manner provided in the Bank's AOA. Furthermore, Articles (54), (39) and (72) of the Bank's AOA respectively affirm the shareholders' rights to (i) dismiss Board members in accordance with the law; (ii) receive clarifications and reports decided under the law for general meetings; and (iii) initiate the civil and criminal liability case against Board members;

In 2025, AlRayan Bank held one annual ordinary general meeting and one extraordinary general meeting of shareholders on 26 March 2025. The full minutes of the general meetings are published on AlRayan Bank's website ([www.alrayan.com](http://www.alrayan.com)).

### Shareholders Right to Board Elections

The Bank's AOA, in particular, Article (19) sets out the main terms for directorship. In addition, the General Meeting held on 16 November 2022 adopted the Board Nomination and Election Policy upon a recommendation from the Board and the Board Corporate Governance, Nomination and Remuneration Committee. The policy ensures the shareholders get access to all information required about Board candidates prior to the elections, including but not limited to, the professional and education background and work experiences. Such information would be announced on the Bank's website. The Board Nomination and Election Policy is accessible on the Bank's website [www.alrayan.com](http://www.alrayan.com).

Major shareholders who own 5% or more of AlRayan Bank's share capital appoint 4 out of 11 directors on the Board in accordance with the Bank's Articles of Association without the right to vote in the elections. The remaining 7 directors, including 3 independent directors, are elected by the general meeting of shareholders. On 15 March 2023, the general meeting elected 7 directors for a 3-year Board mandate (2023-2024-2025). For details, see section 3.1 "Board of Directors" under Corporate Governance Disclosures.

### Shareholders Right to Dividends

The Bank's AOA sets out the terms and conditions for the distribution of profits in accordance with the law. The audited financial statements presented to the Annual General Meeting for endorsement determines how the profits will be distributed. Dividend payout proposals, if applicable, are also presented for shareholders' approval in every

Annual General Meeting. Dividend is fully linked to the results achieved by the Bank at year-end and is subject to the applicable laws and regulations. Dividends must be paid to shareholders within timelines set forth under the applicable laws and regulations.

In addition, AlRayan Bank has established a Shareholders Affairs unit fully dedicated for dividend payments and queries of shareholders related to their dividends. The unit is contactable by email [shareholdersaffairs@alrayan.com](mailto:shareholdersaffairs@alrayan.com) or Tel +97444253215. AlRayan Bank follows QFMA rules on payment of cash dividends through Edaa.

On 26 March 2025, the Annual General Meeting decided to distribute cash dividends in the rate of 10% of the nominal share value (QAR 0.10 per share) for the year ended 31 December 2024. In 2025, the Bank continued the payment of all dividends in accordance with QFMA rules on payment of cash dividends through Edaa.

AlRayan Bank continues to publish the list of its shareholders with uncollected dividends since more than 5 and 10 years on its website in compliance with Qatar Central Bank regulations and facilitates relevant payments accordingly. Any dividend amounts that remain uncollected will be dealt with in accordance with the relevant rules and regulations.

Summary of dividends paid in last 3 years:

FY	Approved Dividend Ratio (QAR per share)	Total Dividend Amount (QAR)	Total Paid as of 31 Dec 2025 (QAR)	Total Unclaimed Dividend as of 31 Dec 2025 (QAR)
2022	0.100	930,000,000	887,259,023	42,740,977
2023	0.100	930,000,000	888,888,923	41,111,077
2024	0.100	930,000,000	888,713,583	41,286,417

### Capital Structure and Shareholders' Rights in Major Transactions

Article (50) of AlRayan Bank's Articles of Association (AoA) guarantees the rights of shareholders- particularly minority shareholders- to object to and cancel major transactions that they may deem contrary to their interests, in accordance with applicable laws. The Bank ensures transparency by disclosing details on its capital structure, shareholder base structure, and its evolution in the Annual Report. Information on major shareholders owning 5% or more of the Bank's share capital

## Corporate Governance

is disclosed and updated regularly on the Bank's website. For further details, please refer to Section 3.6 "Shareholders Profile and Share Trading" under Corporate Governance Disclosures.

### Shareholders Register

AlRayan Bank maintains the Shareholders Register as received monthly from Qatar Central Securities Depository Company (QCSD)/EDAA. AlRayan Bank also requests copies of these registers as and when needed. The Shareholder Register is adopted for quorum in general meetings and for dividend distribution.

### Stakeholders Rights other than the shareholders

AlRayan Bank has established a comprehensive set of policies to safeguard the rights of its stakeholders and ensure that all interactions are conducted in accordance with the principles of fairness, equity, and nondiscrimination. These policies guarantee that stakeholder rights stipulated under applicable laws and regulations are respected and protected at all times.

Key stakeholder policies include:

- **Human Resources Policy:** Promotes fair treatment of employees, equity in the workplace, and compliance with labor laws.
- **Code of Conduct:** Sets ethical standards and behavioral expectations for employees and stakeholders, reinforcing integrity and accountability.
- **Procurement and Vendors Policy:** Regulates relationships with suppliers and contractors, ensuring transparency, fairness, and responsible business practices.
- **External Auditors Policy:** Defines the scope of responsibilities of external auditors and establishes clear criteria for their selection, independence, and oversight.
- **Investor Relations Policy:** Ensures shareholders and investors receive accurate, timely, and transparent information, strengthening trust and confidence.
- **Customer Complaints Policy:** Establishes the framework for Call Center and Customer Care Unit processes to ensure efficient and timely resolution of client concerns

Senior Management leads by example in fostering a culture of ethics and integrity. Employees and

third parties are required to promptly report any actual or potential irregularities or misconduct that may violate AlRayan Bank's values, policies, or procedures.

To support this, the Bank has established a Whistleblower Policy and Hotline Service, which enables stakeholders to report concerns in good faith and with confidence. Reports are received directly by the GM Group Compliance and AML Officer, who independently investigates incidents and reports findings to the Board of Directors and Executive Management.

Additional safeguards include:

- **Independent Verification:** The GM Group Internal Audit has access to whistleblower reports and independently verifies management's actions.
- **ThirdParty Oversight:** An independent third party has been appointed to receive reports, ensuring impartiality and protection for whistleblowers.
- **Protection Measures:** The Board guarantees protection for stakeholders who report suspected practices or transactions in good faith.
- **Global Implementation:** The whistleblower program is implemented across all jurisdictions where the Bank operates, in compliance with local legal requirements.
- **Awareness Campaigns:** Monthly reminders are sent to all employees to reinforce awareness of the program and hotline service

In 2025, eight incidents were reported through the whistleblower program. Each case was investigated, and no major issues were identified.

On customer level, and in line with the new customercentric complaints framework, a dedicated call center available 24/7 and a Customer Care Unit is in place to manage complaints and compliments, ensuring timely resolution and continuous improvement in service quality. (For further details, see Service Quality under section 2.3.5 on Risk Management and Risk Review in the Annual Corporate Governance Report.)

### Community Rights and ESG Initiatives

See section 4 "ESG Annual Report" of this Annual Corporate Governance Report.

## 3. Corporate Governance Disclosures

### 3.1 Board of Directors

#### Board Composition

The composition of the Board has been designed to ensure that we have the appropriate mix of knowledge, skills, experience, diversity and independence. These qualities are the foundation for the range of perspectives, insights and challenges needed to drive good decision-making to support the delivery of the Group's strategic objectives.

Pursuant to Article (19) of the Bank's Articles of Association, AlRayan Bank's Board of Directors comprises 11 members of whom two (2) members shall be appointed by Qatar Holding LLC representing Qatar Investment Authority, one (1) member shall be appointed by Qatari General Retirement and Social Insurance Authority and one (1) member to represent Qatar Armed Forces Investment Portfolio/Barzan Holding Company under the Ministry of Defense. The other remaining members shall be elected by the General Meeting by secret ballot. The appointing entities on the Board are not allowed to vote for candidates running for Board elections.

#### Membership

During 2025, Mr. Khamis Mubarak Al Kuwari was appointed by Qatar Armed Forces Investment Portfolio/ Ministry of Defense to the Board of Directors replacing Mr. Nasser Jaralla Al Marri in accordance with Article (19) of the Bank's AOA. At the date of this annual report, the Board composition for the current mandate (2023-2024-2025) and the statement of other positions held and shares owned by the directors or by the corporate entities they represent on the Board as of 31 December 2025 were as follows:



#### H.E. Sheikh Mohamed bin Hamad bin Qassim Al Thani

Chairman of the Board – Qatari

Non-Executive and Non-Independent Member

Appointed on AlRayan Bank Board by QIA/Qatar Holding LLC ("QH") on 17 November 2021. Re-appointed for the current Board term on 15 March 2023

Number of shares held directly or indirectly (through own companies or family members) as of 31-Dec-2025: 10,060

Number of shares held by QIA/QH and its related entities as of 31-Dec-2025: 1,902,727,790 shares

Other positions currently held:

- Board Member, Qatar Energy



**H.E. Sheikh Hamad bin Faisal bin Thani Al Thani**

Vice Chairman and Chairman of Board Executive Committee – Qatari

Executive and Non-Independent Member

Appointed on AlRayan Bank Board by QIA/Qatar Holding LLC (“QH”) on 1 December 2021. Re-appointed for the current Board term on 15 March 2023

Number of shares held directly or indirectly (through own companies or family members) as of 31-Dec-2025: 11,804,051 shares

Number of shares held by QIA/QH and its related entities as of 31-Dec-2025: 1,902,727,790 share

Other positions currently held:

- Vice Chairman, Qatari Investors Group
- Chairman, Qatar Insurance Company
- Chairman, Al Khaliji France S.A. (France) – representing AlRayan Bank interest
- Board member, AlRayan Bank PLC (UK) – representing AlRayan Bank interest



**Ahmed Ali Al Hamadi**

Board Member – Qatari

Executive and Non-Independent Member

Appointed on AlRayan Bank by the General Authority for Retirement and Social Insurance on 26 October 2023

Number of shares held directly or indirectly (through own companies or family members) as of 31-Dec-2025: 13,540 shares

Number of shares held by GRSIA as of 31-Dec-2025: 529,839,892 shares

Other positions currently held:

- General Manager, Qatar General Retirement and Social Insurance Authority
- Chairman, United Development Company representing GRSIA interest
- Chairman, Qatar Cool representing GRSIA interest
- Vice Chairman, Qatar General Electricity and Water Corporation representing GRSIA interest
- Board member, Qatar Industries representing GRSIA interest
- Board member, Ooredoo representing GRSIA interest
- Board member, Qatar Stock Exchange representing GRSIA interest
- Board member, Dream International Co. representing Qatar Investment Authority interest



### **Khamis Mubarak Al Kuwari**

Board Member – Qatari

Executive and Non-Independent Member

Appointed by Qatar's Ministry of Defense/Armed Forces Investment Portfolio on AlRayan Bank Board on 26 June 2025

Number of shares held directly or indirectly (through own companies or family members) as of 31-Dec-2025: 297,770 shares

Number of shares held by Qatar's Armed Forces Investment Portfolio (Barzan Holding/Qatar's Ministry of Defense) as of 31-Dec-2025: 698,574,780

Other positions currently held:

- Head of Finance Department at Qatar's Ministry of Defense
- Chairman of Employee Loans Fund at Qatar's Ministry of Defense



### **Sheikh Ali bin Jassim bin Mohamed Al Thani**

Board Member – Qatari

Non-Executive and Non-Independent Member

Joined AlRayan Bank Board since 2 April 2017. Re-elected for the current Board term on 15 March 2023

Number of shares held directly or indirectly (through own companies or family members) as of 31-Dec-2025: 84,696,495 shares

Other positions currently held:

- Board Member, Qatar General Insurance & Reinsurance Co.
- QIA, CEO advisor
- Board member, Al Salam International for Investment
- Vice Chairman, Nuran Bank (Libya)
- Board member, Al Khaliji France SA – representing AlRayan Bank interest



**Sheikh Nasser bin Hamad bin Nasser Al Thani**

Board Member – Qatari

Non -Executive and Non-Independent Member

Joined AlRayan Bank Board since 5 April 2009. Re-elected for the current Board term on 15 March 2023

Number of shares held directly or indirectly (through own companies or family members) as of 31-Dec-2025: 1,000,000 shares

Other positions currently held:

- Group CEO Middle East Region- Ooredoo Group
- Board Member, Ooredoo Oman
- Chairman, Ooredoo Kuwait
- Vice Chairman, Asia Cell



**Mohamed Al Saadi**

Board Member – Qatari

Independent and Non-Executive Member

Elected for first time to AlRayan Bank Board on 15 March 2023

Number of shares held directly or indirectly (through own companies or family members) as of 31-Dec-2025: none

Other positions currently held: none



**Dr. Abdulrahman Mohammed Al-Khayarin**

Board Member – Qatari

Non-Executive and Non-Independent Member

Joined AlRayan Bank Board since 18 March 2020. Re-elected for the current Board term on 15 March 2023

Number of shares held directly or indirectly (through own companies or family members) as of 31-Dec-2025: 9,008,241 shares

Other positions currently held:

- Board Member, Barwa Real Estate
- CEO, Widam



**Mohammed Jaber Al Sulaiti**

Board Member – Qatari

Non-Executive and Non- Independent Member

Elected for first time to AlRayan Bank Board on 15 March 2023

Number of shares held directly or indirectly (through own companies or family members) as of 31-Dec-2025: 44,084,024 shares

Other positions currently held:

- CEO and Managing Director, Al Ahed Holding (petrol services and contracting)
- Managing Director, JS Holding



**Abdulla Hamad Al Misnad**

Board Member – Qatari

Independent and Non-Executive Member

Elected for first time to AlRayan Bank Board on 15 March 2023

Number of shares held directly or indirectly (through own companies or family members) as of 31-Dec-2025: none

Other positions currently held:

- Head of Executive Office of HE Qatar’s Prime Minister
- Chairman of Maaloumatiya
- Advisory Board to the Investment Promotion Agency, Board member
- Mena Digital HUB Group, Board member



**Abdulla Al Romaihi**

Board Member – Qatari

Independent and Non-Executive Member

Elected for first time to AlRayan Bank Board on 25 March 2024

Number of shares held directly or indirectly (through own companies or family members) as of 31-Dec-2025: none

Other positions currently held:

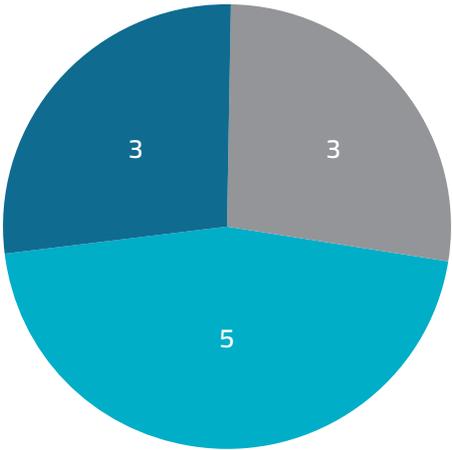
- Head of Emerging Markets- Qatar Investment Authority

**Independence**

Throughout the year ended 31 December 2025, the Board was compliant with the Governance Regulations and AlRayan Bank’s Articles of Association in that majority of the Board comprised non-executive directors including three independent directors. The Board considers all relevant circumstances, in ensuring that the directors demonstrate independence of character and judgement and provide challenge to the executive management in the boardroom.

The Board believes that it functions effectively and that the Board members are independent from management and promote the interests of stakeholders.

**Board Composition**



Independent non-executive directors	3
Non-executive directors including Chairman	5
Executive directors*	3

\*(as per QCB rules, directors who sit on an executive committee of the Board that approves credits and/or investments, are considered executive directors. Members of AlRayan Bank’s Board Executive Committee were non-executive directors on appointment by the general meeting of shareholders)

**Tenure**

According to AlRayan Bank’s Articles of Association, Nonindependent Board members may serve for a period of three years, renewable for similar periods. Independent Board members (INDs) may serve for a maximum of two mandates. As of 31 December 2025, none of the independent members currently serving on the Board has exceeded the limit of two mandates. For further details on tenure and service periods, please refer to the section “Attendance” below, which outlines when each Board member, including independent directors, joined the Board.

**Diversity**

The board places great emphasis on ensuring that its membership reflects diversity in its broadest sense. Consideration is given to the combination of skills, experience, education and professional background and other relevant personal attributes. The aim is to provide the range of perspectives, insights and challenge needed to support good decision making by the Board.

## Attendance

All Board members put their knowledge and skills at the service of the Bank and dedicate sufficient time for their work in the Board. This is proven through the directors' regular attendance of the meetings. Also, the Chairman and the directors including the chairpersons of the Board committees attend and participate in the General Meetings to consider and respond to the queries of the shareholders. In 2025, a total of 6 Board meetings were held within an average duration of 3 hours per each meeting. Below are the details of the Board meetings held in 2025 and the attendance sheet:

Directorship	Member since	Meetings held in 2025	Meeting Attendance in 2025
SH Mohamed Bin Hamad Bin Qassim Al Thani- Chairman	2021		6/6
SH Hamad Bin Faisal Bin Thani Al Thani- Vice Chairman	2021		5/6
Nasser Jaralla Al Marri- Board member <sup>1</sup> (member up to 30 June 2025)	2016		2/6
Khamis Mubarak Al Kuwari- Board member <sup>1</sup> (member from 1 July 2025)	2025		2/6
Ahmed Ali Al Hamadi- Board member	2023	6 meetings as follows: 23 January 2025 22 April 2025 24 June 2025 22 July 2025 29 October 2025 10 December 2025	6/6
SH Ali Bin Jassim Al Thani- Board member	2017		6/6
SH Nasser Bin Hamad Bin Nasser Al Thani- Board member	2009		6/6
Mohamed Al Saadi- Board member	2023		5/6
Mohamed Jaber Al Sulaiti – Board member	2023		6/6
D. Abdulrahman Al Khayareen- Board member	2020		6/6
Abdulla Hamad Al Misnad- Board member	2023		3/6
Abdulla Al Romaihi- Board member	2024		6/6

<sup>1</sup>In 2025, Nasser Jaralla Al Marri served on the Board as representative of Ministry of Defense/Qatar Armed Forces Investment Portfolio from 1 January to 30 June 2025. He was then replaced by Khamis Mubarak Al Kuwari. Mr. Kuwari attended all Board meetings held after his joining date

### Key Activities and Decisions in 2025:

- Approve quarterly, semi-annually and end-of year financials for 2025
- Monitor implementation of the new business strategy LEAD, establish a special steering committee to oversee the implementation and approved external consultancy assistance to expedite the execution
- Monitor implementation of the IT strategy and approve relevant budgets
- Approve injection of capital in UK subsidiary AIRayan Bank Plc to drive business growth, subject to regulatory approvals
- Recommend Dividend Payouts for AGM approval
- Discuss and approve the Group's Budget for 2026
- Recommend the 2026 external auditors for AGM approval
- Periodic review of Capital Plan and ICAAP and stress testing for 2025
- Approve Group's Balanced Scorecard for 2025

## Corporate Governance

- Assess performance of the Board, Sub-committees and the Management and recommend Board remunerations for AGM approval
- Approve the Annual Corporate Governance Report
- Approve of the ICOFR Management Report
- Invite shareholder for General Meeting and set-up relevant agenda
- Approve several items related to the Bank's regular activities including the approval of new or revised policies and frameworks to ensure they are updated and in compliance with the applicable laws and regulations
- Follow-up and oversee the Bank's subsidiaries and associates
- Review and discuss the Bank's Business Continuity and risk reports and take necessary actions, as applicable
- Review and discuss the internal audit and internal control reports including compliance and AML reports, and take necessary actions, as applicable
- Review and discuss the legal and litigation update reports and take necessary actions, as applicable
- Review and endorse Board committees' reports and decisions
- Revise the eligibility conditions to the Board membership by increasing the number of qualification shares required from non-independent directors from 1 to 9 million shares
- Review and endorse CGNRC recommendations on candidates to Board elections for the new three years term (2026-2027-2028)
- Recommend members of Shari'a Supervisory Board to general meeting approval for the new three years term (2026-2027-2028)
- Approval of new financing deals that fall under the authority of the Board
- Admit the new appointed member to the Board Khamis Al Kuwari and revise the composition of Board committees accordingly
- Review and discuss the new Corporate Governance Code issued by QFMA and take necessary actions

## Board Training

See section 2.2.16 Induction and Training.

## Board Trading in Shares

Name	Title	EOY 2024 (%of holding)	Q1 2025 (%of holding)	Q2 2025 (%of holding)	Q3 2025 (%of holding)	EOY 2025 (%of holding)	YOY 24/25 change %
Qatar Investment Authority/Qatar Holding Company (direct and indirect ownership)	Chairman of Board of Directors	20.60%	20.60%	20.46%	20.46%	20.46%	-0.67%
Represented by Sheikh Mohammed bin Hamad bin Qassim Al Abdullah Al Thani (indirectly through family member)		0.0001%	0.0001%	0.0001%	0.0001%	0.0001%	No change

Name	Title	EOY 2024 (%of holding)	Q1 2025 (%of holding)	Q2 2025 (%of holding)	Q3 2025 (%of holding)	EOY 2025 (%of holding)	YOY 24/25 change %
Represented by Sheikh Hamad bin Faisal bin Thani Al Thani (direct ownership)	Vice Chairman and Chairman of Board Executive Committee	0.12%	0.12%	0.12%	0.12%	0.12%	No change
(indirect ownership through family)		0.002%	0.002%	0.002%	0.002%	0.002%	No change
General Retirement and Social Insurance Authority (direct ownership)	Member of the Board of Directors	5.70%	5.70%	5.70%	5.70%	5.70%	No change
Represented by Ahmed Ali Hassan Al Hamadi (indirectly through family)		0.00013%	0.00013%	0.00013%	0.00013%	0.00015%	+12.46%
Ministry of Defense - Qatar Armed Forces	Member of the Board of Directors	7.51%	7.51%	7.51%	7.51%	7.51%	No change
Represented by Mr. Khamis Mubarak Khamis Zamel Al Kuwari (direct ownership)		0.0027%	0.0027%	0.0027%	0.0027%	0.0027%	No change
(indirectly through family)		0.0005%	0.0005%	0.0005%	0.0005%	0.0005%	No change
Sheikh Ali bin Jassim Al Thani (direct ownership)	Member of the Board of Directors	0.19%	0.19%	0.19%	0.19%	0.19%	No change
(indirect ownership)		0.72%	0.72%	0.72%	0.72%	0.72%	No change
Sheikh Nasser bin Hamad bin Nasser Al Thani (direct ownership)	Member of the Board of Directors	0.01%	0.01%	0.01%	0.01%	0.01%	No change
Abdul Rahman Muhammad Mubarak Al-Khayarin (direct ownership)		0.01%	0.01%	0.02%	0.02%	0.01%	No change
(indirect ownership through family)		0.0001%	0.0001%	0.0001%	0.0001%	0.0001%	No change
Indirectly through owned companies		0	0	0	0	0.09%	New Buy
Mohamed Hassan Mohammed Al Saadi	Member of the Board of Directors	0	0	0	0	0	No change
Mohamed Jaber Al Sulaiti (direct ownership)		0.01%	0.01%	0.03%	0.03%	0.03%	185%
(indirectly through family)		0%	0%	0.005%	0.005%	0.005%	New Buy
Indirectly through owned companies		0.40%	0.43%	0.43%	0.43%	0.44%	10.37%
Abdulla Hamad Abdulla Al Misnad	Member of the Board of Directors	0	0	0	0	0	No change
Abdullah Saad Mohammed Al-Jabara Al-Rumaihi		0	0	0	0	0	No change

## Corporate Governance

### 3.2 Board Committees

The Board established the following committees: Executive Committee (EXCOB), Audit Committee (ACB), Compliance and Risk Committee (CRC) as well as the Corporate Governance, Nomination and Remuneration Committee (CGNRC). Below are the annual reports from the Board's committees to the shareholders.

#### Executive Committee of the Board (EXCOB)



Sheikh Hamad Bin Faisal Bin Thani Al Thani

EXCOB Chair

Dear Shareholders,

I am pleased to present the Board Executive Committee report, which provides an overview of the Committee's activities during 2025.

#### Composition and Attendance:

As of 31 December 2025, the Committee comprises three members as follows:

Membership	Member since	Meetings held in 2025	Meeting Attendance in 2025
Sheikh Hamad Bin Faisal Bin Thani Al Thani- EXD	12/12/2021	11 meetings as follows:	11/11
Nasser Jaralla Al Marri- EXD	From 21/3/2023 to 22/7/2025	- 21 January 2025 - 26 February 2025 - 20 April 2025	4/11
Ahmed Ali Al Hamadi - EXD	26/10/2023	- 3 June 2025 - 13 July 2025 - 25 July 2025	10/11
Khamis Mubarak Al Kuwari	22/7/2025	- 4 August 2025 - 25 September 2025 - 13 October 2025 - 16 November 2025 - 15 December 2025	5/11

As per QCB regulations, a member of an executive committee of the Board is considered an EXD i.e. Executive Director.

#### Key Responsibilities:

- Reviewing the main functions of the Board of Directors and formulate recommendations to the Board, as necessary and applicable
- Reviewing the Bank's strategy and budget and formulate recommendations to the Board, as necessary and applicable
- Overseeing the Bank's activities and formulate recommendations to the Board, as necessary and applicable
- Following-up on nonperforming accounts and overseeing recovery efforts and legal actions

- Discussing and approving issues that fall within the remit of the Board of Directors or those that arise between the Meetings of the Board
- Approving financings and investments within its delegated authorities
- Overseeing the Bank's investment portfolio and formulate recommendations to the Board, as necessary and applicable
- Approving new or revised policies that fall outside the remit of other Board committees

#### **Committee Governance:**

The Board approved terms of reference (TORs) for the Committee which clearly defines its roles and responsibilities. Minutes of all meetings of the Committee are drafted and properly maintained in the company's records. The TORs are available and accessible on AlRayan Bank website ([www.alrayan.com](http://www.alrayan.com)).

EXCOB Chair presents a quarterly report on the Committee's main activities and decisions to the full Board for endorsement. In 2025, the Board of Directors endorsed all resolutions and recommendations of the EXCOB.

#### **Trainings:**

During 2025, the Committee members successfully completed several training sessions. For details, see section 2.2.16 "Induction and Training".

#### **Key Activities and Decisions in 2025:**

- Discussed and approved or recommended for Board approval financings and investments
- Reviewed various activities of the Bank and its business and made recommendations to the Board of Directors as appropriate
- Discussed and followed up the Bank's legal cases initiated against defaulting customers and take necessary actions
- Followed up and monitored performance of the Bank's subsidiaries, associates, funds and SPVs
- Followed up and formulated recommendations to the Board on the implementation of the new Business strategy and the IT strategy
- Considered and endorsed new Product Programs

**Hamad Bin Faisal Bin Thani Al Thani**

EXCOB Chair

**Corporate Governance**

**Group Audit Committee (GAC)**



**Mohamed Al Saadi**

GAC Chair

Dear Shareholders,

I am pleased to present the Group Audit Committee report, which provides an overview of the Committee’s activities during 2025.

**Composition and Attendance:**

As of 31 December 2025, the Committee comprises three members majority of whom are independent members (INDs) as follows:

Membership	Member since	Meetings held in 2025	Meeting Attendance in 2025
Mohamed Al Saadi- Chair/IND	21/3/2023	6 meetings as follows: - 22 January 2025 - 21 April 2025 - 23 June 2025 - 21 July 2025 - 28 October 2025 - 8 December 2025	6/6
Abdulla Hamad Al Misnad- IND	17/7/2023		4/6
Mohamed Jaber Al Sulaiti - NED	21/3/2023		6/6

NED= Non Executive Director; IND= Independent Director;

**Key Responsibilities:**

- monitoring and assessing the integrity of the financial statements, formal announcements and regulatory information in relation to the Group’s financial performance, as well as significant accounting judgements;
- reviewing the effectiveness of, and ensuring that management has appropriate internal controls over, financial reporting;
- reviewing and monitoring the relationship with the external auditor and overseeing its appointment, remuneration and independence
- overseeing the Group’s policies, procedures and arrangements for capturing and responding to whistleblower concerns and ensuring they are operating effectively;
- overseeing the work of Internal Audit and monitoring and assessing the effectiveness, performance, resourcing, independence and standing of the function.

**Committee Governance:**

The Board has approved terms of reference (TORs) for the Group Audit Committee which clearly defines its roles and responsibilities. Minutes of all meetings of the Committee are drafted and properly maintained in the company’s records. The TORs are available and accessible on AlRayan Bank’s website (www.alrayan.com).

The Committee considers and challenges the internal control system and relevant risks with Senior Management and took appropriate actions towards enhancing the controls and addressing weaknesses, if any. The Committee meets with the external auditors to discuss the quarterly and end-of-year financials and with the internal auditors to discuss and consider the main topics related to internal control and relevant risks. On-going coordination takes place between Internal Audit and the Bank’s External Auditors in all audit-related matters including, but not limited to, the coordination in preparing the External Auditor’s Management Letter presented to the Board/Audit Committee. Coordination between GAC and CRC takes place amongst the members of both committees during the Board meetings or through communications between the chairs of both committees to cooperate in overseeing the risk and internal control management procedures.

GAC Chair presents a quarterly report on the Committee’s main activities and decisions to the full Board for endorsement. In 2025, the Board of Directors endorsed all resolutions and recommendations of the GAC.

**Trainings:**

During 2025, the Committee members successfully completed several training sessions. For details, see section 2.2.16 “Induction and Training”.

**Key Activities and Decisions in 2025:**

The following key audit matters were deliberated by the Committee during 2025:

Key audit matters	What we did
Materiality and Identified misstatement	<ul style="list-style-type: none"> <li>- focused on both qualitative and quantitative factors that could have a material impact on the Bank’s financial reporting</li> <li>- identified and assessed risks of material misstatement in the financial statements</li> <li>- No material misstatements were identified</li> </ul>
Key management judgements and accounting estimates	<ul style="list-style-type: none"> <li>- Reviewed external auditors reports and challenge Management on below items:                             <ul style="list-style-type: none"> <li>· impairment losses on financial assets</li> <li>· fair value for financial assets and liabilities</li> <li>· useful life intangible assets</li> <li>· impairment of goodwill</li> <li>· risks of management override of controls</li> <li>· risks of fraud in revenue recognition</li> <li>· Credit risk and the adequacy of expected credit losses (refer to next item for more details)</li> <li>· assessment and adequacy of relevant disclosures in financial statements</li> </ul> </li> </ul>
Expected Credit Losses (ECL) assessment	<ul style="list-style-type: none"> <li>- Challenged the level of ECL, model methodology and assumptions applied to calculate the ECL provisions held by the Group</li> <li>- Evaluated the impact of ECL on the interim results and annual results</li> <li>- Reviewed and monitored the Group’s calculation of ECLs and trends in staging changes or model changes, as applicable</li> <li>- Assessed ECL experienced against forecasts and considered whether level of ECL was appropriate</li> <li>- Assessed the appropriateness of the ECL provision raised by the Group for large exposures in entities perceived to be in financial distress</li> </ul>
New accounting standards	<ul style="list-style-type: none"> <li>- Received presentations from the external auditors on the new accounting standards</li> <li>- Ensured new standards are properly implemented in accordance with regulations</li> </ul>

## Corporate Governance

Key audit matters	What we did
Regulatory Ratios	<ul style="list-style-type: none"> <li>- Reviewed bank compliance with supervisory ratios</li> <li>- Challenged the Management with justifications of noncompliance, where applicable</li> <li>- Discussed Management remedial roadmap for instances of non-compliance, where applicable</li> </ul>
Regulatory Inspection Reports	<ul style="list-style-type: none"> <li>- Received inspection reports from regulators as part of regular supervision cycle</li> <li>- Discussed observations with concerned parties</li> <li>- Ensured remedial actions are set for all observations within clear target deadline for closure</li> <li>- Followed- up on progress made in closing the observations</li> <li>- Ensured regular update reports are sent to regulators</li> </ul>
Independence and disagreement with management	<ul style="list-style-type: none"> <li>- Met, in the absence of the management, with both internal audit and external audit at least once a year to ensure both parties conduct their work with full independence and without any pressure from management team</li> <li>- No disagreement with management was reported by neither internal nor external auditors to the Committee</li> <li>- Considered the independence of the external auditors on an ongoing basis. The external auditors have confirmed their independence. External Auditors are required to be changed every 5 five years maximum. As of 31 December 2025, PWC served 3 consecutive years at AlRayan Bank in 2023, 2024 and 2025</li> </ul>
Material uncertainties related to events and conditions specifically going concern issues	<ul style="list-style-type: none"> <li>- Reviewed reports from external auditors on material uncertainties related to ongoing concern events and conditions</li> <li>- No specific issues causing doubt in the going concern assumption were reported to the Committee</li> </ul>
Missing required disclosures in the consolidated financial information	<ul style="list-style-type: none"> <li>- Ensured no material disclosures are missing</li> </ul>
Fraud and illegal acts	<ul style="list-style-type: none"> <li>- Received and considered reports from internal or external audits on irregularities, fraud or illegal acts, including through whistleblowing channels, involving senior management, or that would cause a material misstatement of the financial information</li> <li>- No irregularities were reported to or came to the attention of the Committee</li> </ul>
Global Minimum Tax (GMT)	<ul style="list-style-type: none"> <li>- Discussed GMT requirement and impact on the Bank</li> <li>- Formulate recommendations to the Board on GMT requirements</li> </ul>
Fees and non-audit services	<ul style="list-style-type: none"> <li>- Reviewed and authorized engagement of external auditors in non-audit services in accordance with the Bank's approved External Auditors Policy</li> <li>- Ensured the level and type of non-audit work undertaken throughout the year do not impair the independence of the external auditor</li> <li>- For details on external audit fees, see section 2.4 "At External Control Level"</li> </ul>
External Audit	<ul style="list-style-type: none"> <li>- Managed the relationship with the external auditor PWC including their re-appointment</li> <li>- Approved the external audit plan, audit fee and the main areas of focus for 2025</li> <li>- Considered the external auditor reports on review of interim financial statements and audit of annual financial statements</li> <li>- Approve all non-audit services provided by the external auditor and confirmed the services do not impair the external auditor's independency</li> <li>- Assessed the independence and objectivity of the external auditors</li> <li>- Noted the unqualified independent auditors report in relation to the Group</li> <li>- Recommend to the Board the appointment of the external auditor for the next fiscal year while ensuring control over fees</li> </ul>
Internal Controls	<ul style="list-style-type: none"> <li>- Considered reports on the internal control environment from the internal and external audit</li> <li>- Evaluated and tracked the status of control observations identified by internal and external audit. Tacked the progress of remediation plans against agreed time frames</li> <li>- Considered updates on key internal and external audit observations with respect to IT control environment</li> <li>- Evaluated reports on Financial crime Compliance (FCC) and Cyber security within the Group</li> <li>- Reviewed and approved ICOFR report ensuring adequacy and effectiveness of the assurance coverage</li> </ul>

Key audit matters	What we did
Internal Audit function	<ul style="list-style-type: none"> <li>- Discussed and approved the Group Internal Audit Strategy and monitored their KPIs</li> <li>- Deliberated on and approved the revised Group Internal Audit Charter and methodologies (Policy and Procedure Manual) to align with the new GIAS standards. Included enhancements to forms, approaches, IQA and EQA programmes, survey results and declarations</li> <li>- Scrutinized, reviewed and approved the Group Internal Audit plans, risk assessments and other Assurance Providers Map</li> <li>- Monitored delivery of agreed Group Audit Plan.</li> <li>- Monitored and followed-up internal audit control observations and ensured appropriate mitigation and timeous close-out by Management.</li> <li>- Tracked high risk observations and monitored related remediation plans.</li> <li>- Reviewed and discussed Root Cause Analysis.</li> <li>- Met with GM Group Internal Audit without the management being present, to discuss the remit of and reports of internal audit and any issues arising from internal audits conducted.</li> <li>- Discussed and approved the Internal Audit quality assurance program results.</li> <li>- Discussed and approved the Internal Audit Technology Plan.</li> <li>- Reviewed and discussed Internal Audit Training Plan.</li> <li>- Reviewed and discussed Internal Audit Resourcing Plan and Succession Plan.</li> <li>- Discussed and approved the Internal Audit Budget (including Technology Budget).</li> <li>- Reviewed and discussed Internal Audit independence and approved the Internal Audit resources plan for 2025</li> <li>- Reviewed and approved the 2025 objectives of GM Group Internal Audit and IA team.</li> <li>- Conducted the independent annual performance review of the GM Group Internal Audit.</li> </ul>
Subsidiaries oversight	<ul style="list-style-type: none"> <li>- The Committee recognizes the importance of strong connectivity and alignment with principal subsidiary audit committees. The mechanisms to support this are well established and continued to operate effectively during the year in accordance with the Subsidiaries Governance Framework.</li> <li>- This included information sharing and targeted collaboration between Group and local internal audit functions, audit committees and management to ensure appropriate implementation of the Group Internal Audit Plan</li> <li>- The Committee regularly reviewed and discussed internal audit reports of subsidiaries and took the appropriate actions, as applicable</li> </ul>
Regulatory innovation	<ul style="list-style-type: none"> <li>- Considered and discussed latest regulations issued by regulators during the year, studied impact on the Bank, and ensured appropriate actions are taken for compliance, as applicable</li> </ul>
Recoveries and litigations	<ul style="list-style-type: none"> <li>- Received regular reports on recoveries and litigations to track the progress made in recovering bank's rights</li> <li>- Escalated matters that required scrutiny and follow-ups to the Board, for appropriate actions, as applicable</li> </ul>
IFRS S1 General Requirements for Disclosure of Sustainability, Pillar Two, FATCA/CS, and VAT Tax	<ul style="list-style-type: none"> <li>- Considered and discussed with external auditors the sustainability reporting standards issued by the International Sustainability Standards Board (ISSB) and compliance options</li> <li>- Considered and discussed Pillar Two disclosure requirements, FATCA/CSR compliance, and VAT Tax</li> </ul>

As of 31 December 2025, there was no material internal or external audit issues that would adversely impact the financial position of the Bank.

**Mohamed Al Saadi**  
GAC Chair

**Compliance and Risk Committee (CRC)**



**Sheikh Ali bin Jassim Al Thani**

CRC Chair

Dear Shareholders,

I am pleased to present the Compliance and Risk Committee report, which provides an overview of the Committee’s activities during 2025.

**Composition and Attendance:**

As of 31 December 2025, the Committee comprises three members majority of whom are non-executives (NEDs) as follows:

Membership	Member since	Meetings held in 2025	Meeting Attendance in 2025
Sheikh Ali bin Jassim Al Thani- Chair/NED	21/3/2023	4 meetings as follows:	4/4
Sheikh Nasser bin Hamad bin Nasser Al Thani- NED	17/7/2023	- 22 January 2025	4/4
Nasser Jaralla Al Marri- EXD	From 21/3/2023 to 22/7/2025	- 21 April 2025 - 21 July 2025 - 28 October 2025	2/4
Khamis Mubarak Al Kuwari- EXD	22/7/2025		1/4

NED= Non Executive Director; IND= Independent Director; EXD= Executive Director

**Key Responsibilities:**

- overseeing all Group risk-related matters, including risk appetite-related matters, and key regulatory submissions and stress testing exercises
- reviewing the effectiveness of the Group’s risk management framework
- overseeing all Group Financial Crime Combat (FCC) frameworks including all compliance and AML related matters, fraud, bribery and anti-corruption and conflict of interest
- approving risk framework, risk appetite, risk strategies risk policies
- approving FCC, Compliance and AML frameworks and policies

**Committee Governance:**

The Board has approved terms of reference (TORs) for the Compliance and Risk Committee which clearly defines its roles and responsibilities. Minutes of all meetings of the Committee are drafted and properly maintained in the company’s records. The TORs are available and accessible on AlRayan Bank’s website ([www.alrayan.com](http://www.alrayan.com)).

CRC Chair presents a quarterly report on the Committee’s main activities and decisions to the full Board for endorsement. In 2025, the Board of Directors endorsed all resolutions and recommendations of the CRC. Coordination between GAC and CRC takes place amongst the members of both committees during the Board meetings or through communications between the chairs of both committees to cooperate in overseeing the risk and internal control management procedures.

The Group CEO, Group Chief Risk Officer and the GM Group Compliance and AML regularly attend the Committee meetings and submit their periodic reports for review and discussion.

**Trainings:**

During 2025, the Committee members successfully completed several training sessions. For details, see section 2.2.16 "Induction and Training".

**Key Activities and Decisions in 2025:**

- Review and discuss the periodic and annual Compliance reports and take necessary remedial actions, where applicable
- Review and discuss the periodic and annual AML/CFT reports and take necessary remedial actions, where applicable
- Review and discuss regulatory ratios and breaches and take necessary remedial actions, where applicable
- Consider and approve the Annual Compliance and AML plan and strategy
- Endorse engagements with Politically Exposed Persons (PEPs)
- Review, discuss and endorse periodic risk reports including, but not limited to, risk appetite, credit portfolio developments, provisioning and ECLs, NPLs, operational risk, market risk, liquidity risk, security risk, IT and Cybersecurity, Business Continuity Management and take necessary remedial actions where applicable
- Review and approve the stress testing results for QCB submission
- Oversee the 2025 Capital Plan and ICAAP submissions exercise
- Review and endorse the annual review of the Group Country Limits
- Review and discuss all legal and regulatory developments and take necessary actions where applicable
- Review, update and approve risk policies and Compliance and AML policies
- Conduct the consolidated oversight over risk and compliance/AML matters at subsidiaries' level
- Conduct the independent annual performance review of the Group Chief Risk Officer and GM Group Compliance and AML
- Consider and approve submissions of the Funding Concentration reports and Contingency Funding Plans to Qatar Central Bank

The standard and regular agenda items of the Committee include comprehensive reports regarding

Financial Soundness Risk	Credit Risk	Liquidity and Market Risk
Cyber and IT Security Risk	Strategic Risk	Internal Process Risk
Customer Treatment Risk	Theft, Fraud and Other Criminal Acts	Legal Risk
People Risk	External Events Risk	Regulatory Risk
Operational Risk and Resilience/BCM	Security Risk	Risk Transfer/ Insurance
Conflict of Interest Management and Related party risk	Sharia Risk	Regulatory Compliance and reporting
Financial Crime/Compliance and AML	Climate risk	Collections and Recovery
Capital Planning and stress testing scenarios	Contingency Funding and Recovery Plan	Risk Appetite

As of 31 December 2025, there was no material high risk issues facing the Bank that would, in all material aspects, adversely impact its financial position.



**Ali Bin Jassim Al Thani**

CRC Chair

## Corporate Governance

### Corporate Governance, Nomination and Remuneration Committee (CGNRC)



Sheikh Nasser bin Hamad bin Nasser Al Thani

CGNRC Chair

Dear Shareholders,

I am pleased to present the Corporate Governance, Nomination and Remuneration Committee report, which provides an overview of the Committee's activities during 2025.

#### Composition and Attendance:

As of 31 December 2025, the Committee comprises three members one of whom is independent member (IND) and the rest are non-executives (NEDs) as follows:

Membership	Member since	Meetings held in 2025	Meeting Attendance in 2025
Sheikh Nasser bin Hamad bin Nasser Al Thani- Chair/NED	21/3/2023	4 meetings as follows: - 19 January 2025 - 23 June 2025 - 19 October 2025 - 23 November 2025	4/4
D. Abdulrahman Al Khayareen - NED	21/3/2023		4/4
Abdulla Al Romaihi-IND	25/4/2024		4/4

NED= Non Executive Director; IND= Independent Director; EXD= Executive Director

#### Key Responsibilities:

- overseeing and monitoring the corporate governance framework of the Group and ensuring that this is consistent with best practice and applicable laws and regulations
- overseeing Board nominations and election process
- overseeing Board learning and development including induction programs
- conducting annual evaluation for Board and Board committees
- conducting annual evaluation for independency and independent directors
- overseeing appointments of senior management members
- overseeing all HR related matters and HR policies
- overseeing succession planning
- making recommendations to the Board, for approval by shareholders, on the Board and Senior Management remuneration policy
- setting the overarching principles, parameters and governance framework of the Group's remuneration policy

- making recommendations to the Board, for approval by shareholders, on the Board remunerations
- making recommendations for approval by the Board on the remunerations of the Sharia Supervisory Board
- approving the annual remuneration of the Group employees including senior management members, subject to Board endorsement and Board process for performance review of Group CEO and Senior Management members
- regularly reviewing the effectiveness of the remuneration policy of the Group and its subsidiaries in the context of consistent and effective risk management.

#### **Committee Governance:**

The Board approved terms of reference (TORs) for the CGNRC which clearly defines its roles and responsibilities. Minutes of all meetings of the Committee are drafted and properly maintained in the company's records. The TORs are available and accessible on AlRayan Bank's website ([www.alrayan.com](http://www.alrayan.com)).

CGNRC Chair is also a permanent member of the Board Compliance and Risk Committee to ensure full understanding of the risk profile of the Bank and it is factored in the Bank's remuneration systems.

CGNRC Chair presents a quarterly report on the Committee's main activities and decisions to the full Board for endorsement. In 2025, the Board of Directors endorsed all resolutions and recommendations of the CGNRC.

#### **Trainings:**

During 2025, the Committee members successfully completed several training sessions. For details, see section 2.2.16 "Induction and Training".

#### **Key Activities and Decisions in 2025:**

- Considered and discussed with the new QFMA Corporate Governance Code No (5) of 2025 and took necessary actions towards implementation and compliance, where applicable
- Reviewed and discussed Employee Engagement Survey outcome and took necessary actions, where applicable
- Considered and approved immaterial Changes to Board Election Policy to comply with new QFMA Corporate Governance Code
- Reviewed applications of candidates to the Board for the new three years term 2026-2027-2028 and formulate relevant recommendations to the Board
- Reviewed applications of the Sharia Supervisory Board candidates for the new three years term 2026-2027-2028 and formulate relevant recommendations to the Board
- Reviewed and confirmed the annual Balanced Scorecard results and QCB Performance Matrix
- Conducted market study on Qualification Shares for Board membership and recommended relevant changes
- Conducted the annual review of Group Incentives and Bonus Methodology for 2025 and recommend the Group Annual Bonus pool for Board approval
- Revised and approved key enhancements to HR Policies
- Followed-up on HR developments at Group level and take necessary actions, as applicable
- Approved Updated Succession Plan
- Conducted the annual performance assessment of the Board and its committees

## **Corporate Governance**

- Conducted the annual review of independent directors
- Conducted the annual review of the Board Remuneration policy and recommended Board remunerations for Board to recommend the same to the General Meeting
- Recommended to the Board the SSB annual remunerations
- Reviewed and recommended the annual Corporate Governance Report for Board approval
- Reviewed and discussed the external Auditor's Independent Assurance report on AlRayan Bank Corporate Governance and take necessary actions, as applicable
- Reviewed the Internal Audit Report on AlRayan Bank Corporate Governance and took necessary actions for remediation, where applicable. No major issues are identified in the Corporate Governance system.
- Reviewed and adopted the list of insiders
- Considered regular ESG Update reports and approved new ESG initiatives
- Approved a number of new Corporate Governance-related policies and conducted the annual review of existing policies



**Nasser Bin Hamad Bin Nasser Al Thani**

CGNRC Chair

## 3.3 Senior Management and Management Committees

### 3.3.1 The Management Team

AlRayan Bank Board appoints the Group Chief Executive Officer and all other members of senior management reporting directly to GCEO or to the Board, as applicable. The Group Chief Executive Officer is accountable for executing AlRayan Bank strategy and running the business on a day-to-day basis. The Group CEO reports directly to the Board and keeps the Board fully informed of all key aspects of business performance. The Group CEO is supported by a management team with extensive background in banking and financial matters in addition to management committees with defined roles and responsibilities. The main activities and achievements of the Management team in 2025 are disclosed under the respective sections of various departments and units of the Bank in this Annual Corporate Governance Report or in the Annual Report that forms an integral part of this Annual Corporate Governance Report.

Below are the members of AlRayan Bank Senior Management as of 31 December 2025:



**Fahad Bin Abdulla Al Khalifa**

**Group Chief Executive Officer**

Fahad Al Khalifa is a seasoned banking professional with over 30 years of experience in leadership roles in financial services. He was appointed to the role of Group Chief Executive Officer (GCEO) of AlRayan Bank in 2021. Before joining AlRayan Bank, he was the GCEO of Al Khalij Commercial Bank since 2014 and successfully oversaw the merger of both institutions to result in one of the largest Shari'ah compliant banks with an international presence in the UK, France and the UAE. Throughout his career, he has held prominent positions in Qatar's leading financial institutions to include Qatar Central Bank and Qatar National Bank (QNB). Number of shares held in AlRayan Bank directly or indirectly (through own companies or family members) as of 31-Dec-2025: 56,060 shares

Other positions currently held:

- Board member, AlRayan Bank UK (representing AlRayan Bank interest)
- Board member- Al Khaliji France (representing AlRayan Bank interest)
- Board Member, QFBA



**Hamad Al Kubaisi**

**Group Chief Human Resources Officer**

Holder of bachelor's degree in computer science. Over than 22 years of experience. Number of shares held in AlRayan Bank directly or indirectly (through own companies or family members) as of 31-Dec-2025: 28,959 shares

Other positions currently held:

- Director of Linc Facilities Co (representing AlRayan Bank interest)



**Omar Al Emadi**

**Group Chief Business Officer**

Holder of BSc in Finance from California State University in USA. Over 20 years of experience. Number of shares held in AlRayan Bank directly or indirectly (through own companies or family members) as of 31-Dec-2025: none

Other positions currently held:

- Board member, AlRayan Bank UK (representing AlRayan Bank interest)
- Vice Chairman, Sahb Financing KSA (representing AlRayan Bank interest)



**Rana El Asaad**  
**GM, Personal Banking**

Bachelors' degree in English literature from Qatar University. Diploma in Business Management from London Metropolitan University, UK. Over 26 years of banking experience. Number of shares held in AlRayan Bank directly or indirectly (through own companies or family members) as of 31-Dec-2025: 599,795 shares

Other positions currently held:

- Board member, Daman Islamic Insurance "Beema" (representing AlRayan Bank interest)



**Sheikh Mohamed Abdulaziz Al Thani**  
**GM, Corporate Banking**

Extensive experience in government and public sector banking, corporate finance, and strategic relationship management. Holder of specialized master's degree in strategic - business unit management from HEC Qatar, MBA from Anglia Ruskin University in UK and BSc, Business Administration – Marketing from University Arab Academy for Science & Technology and Marine Transport.

Number of shares held in AlRayan Bank directly or indirectly (through own companies or family members) as of 31-Dec-2025: none

Other positions currently held: none



**Shah Nawaz Niazi**  
**Group Chief Finance Officer**

Chartered Accountant from the Institute of Chartered Accountants of Pakistan. Holder of Bachelor's in Accounting and Commerce from University of Karachi. Number of shares held in AlRayan Bank directly or indirectly (through own companies or family members) as of 31-Dec-2025: none

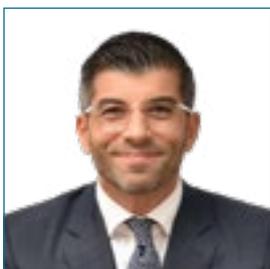
Other positions currently held: none



**Stuart Rennie**  
**Group Chief Operating Officer**

Holder of Bachelor of Commerce and Administration (BCA), with Majors in Information Systems Management and Accountancy – Victoria University of Wellington, New Zealand. Master of Business & Administration (MBA) with Honors of Distinction from the College of Commerce and Kellstadt Graduate School of Business- DePaul University in Chicago, USA. Over 30 years of experience. Number of shares held in AlRayan Bank directly or indirectly (through own companies or family members) as of 31-Dec-2025: none

Other positions currently held: None



**Houssam Itani**  
**Group Chief Transformation Officer**

Bachelor of Art in Business Administration, Finance from American university of Beirut. IMD MBA, Lausanne, Switzerland. Future of Fintech & E-commerce Certificate from Massachusetts Institute of Technology. Over 20 years of consulting experience. Number of shares held in AlRayan Bank directly or indirectly (through own companies or family members) as of 31-Dec-2025: none

Other positions currently held: none



**Alexis Patrick Neeson**  
**Group Chief Risk Officer**

Bachelor's degree in European Studies from Trinity College Dublin. Masters in Business Administration from Smurfit Graduate School of Business, University College Dublin. Fellow of the Association of Chartered Certified Accountants (ACCA). Over 24 years of banking experience. Number of shares held in AlRayan Bank directly or indirectly (through own companies or family members) as of 31-Dec-2025: none

Other positions currently held: none



**Tahir Hayat Pirzada**  
**GM, Group Treasurer and FI**

Holder of MBA (Finance) degree from Imperial College of Business Studies, Lahore- Pakistan. Over 30 years of experience. Number of shares held in AlRayan Bank directly or indirectly (through own companies or family members) as of 31-Dec-2025: none

Other positions currently held:

- Board member, Al Rayan Investment LLC (representing AlRayan Bank interest)



**Muataz Dana**  
**GM, Group Compliance and AML**

Holder of master's degree in finance administration and bachelor's degree in accounting. Certified AML specialist. Over 20 years of experience. Number of shares held in AlRayan Bank directly or indirectly (through own companies or family members) as of 31-Dec-2025: none

Other positions currently held:

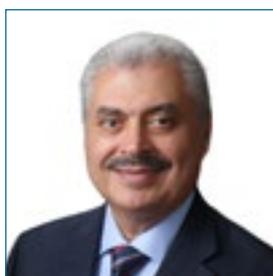
- Board member, Sahb Financing KSA (representing AlRayan Bank interest)



**Adel Ayad Fayez Attia**  
**GM, Group Internal Audit**

Holder of bachelor degree of Management Sciences from Sadat Academy for Management Sciences- Egypt. Certified Anti-Money Laundering Specialist (CAMS) from ACAMS. Over 35 years of experience. Number of shares held in AlRayan Bank directly or indirectly (through own companies or family members) as of 31-Dec-2025: none

Other positions currently held: none



**Tawfiq Adnan Zuwayyed**  
**GM, Group General Legal Counsel**

Holder of master's degree in international business law from Paris- Sorbonne University Abud Dhabi. Over 30 years in legal practice and litigation including 25 years of banking legal related experience in GCC and Middle eastern countries.

Number of shares held in AlRayan Bank directly or indirectly (through own companies or family members) as of 31-Dec-2025: none

Other positions currently held: none



**Ronan Dodgson**  
**AGM, Strategy and Projects**

Chartered Accountant (ACCA), DBS Dublin Ireland. Member of the Association of Chartered Certified Accountants (ACCA). Over 30 years of experience. Number of shares held in AlRayan Bank directly or indirectly (through own companies or family members) as of 31-Dec-2025: none

Other positions currently held: none



**Fawzi Siam**  
**AGM, Sharia Audit**

Holder of Bachelor of Commerce – Nagpur University – India. Over 30 years of experience. Number of shares held in AlRayan Bank directly or indirectly (through own companies or family members) as of 31-Dec-2025: none

Other positions currently held: none

3.3.2 Senior Management Trading in Shares:

Name	Title	EOY 2024	Q1 2025 (%of holding)	Q2 2025 (%of holding)	Q3 2025 (%of holding)	EOY 2025 (%of holding)	YOY 24/25 change %
Fahad Abdullah Rashid Mubarak Al Khalifa (direct ownership)	Group CEO	0.0001%	0.0001%	0.0001%	0.0001%	0.0001%	No change
Indirect ownership through family		0.0005%	0.0005%	0.0005%	0.0005%	0.0005%	No change
Hamad Muhammad Ali Muhammad Al-Kubaisi (direct ownership)	Group Chief HR officer	0	0	0	0	0	No change
Indirect ownership through family		0.0003%	0.0003%	0.0003%	0.0003%	0.0003%	No change
Omar Abdul Razzaq Mohammed Sharif Al Emadi	Group Chief Business Officer	0	0	0	0	0	No change
Alexis Patrick Neeson	Group Chief Risk Officer	0	0	0	0	0	No change
Stuart David Rennie	Group Chief Operating Officer	0	0	0	0	0	No change
Shahnawaz Saeed Niazi Azhar Niazi	Group Chief Finance Officer	0	0	0	0	0	No change
Taher Hayat Pirzadeh	AGM, Group Treasury and Financial Institutions	0	0	0	0	0	No change
Houssam Bilal Itani	Group Chief Transformation Officer	0	0	0	0	0	No change
Muataz Jamal Dana	GM, Group Compliance and AML officer	0	0	0	0	0	No change
Adel Ayad Fayez Atiya	GM, Group Internal Audit	0	0	0	0	0	No change
Fawzi Siam	AGM - Sharia Audit	0	0	0	0	0	No change
Ronan Dodgson	AGM, Strategy and Projects	0	0	0	0	0	No change
Tawfiq Zuwayyed	Group Legal Counsel	0	0	0	0	0	No change
Sheikh Mohamed Abdul Aziz Bin Suhaim Hamad Al Thani	GM, Corporate Banking	0	0	0	0	0	No change
Rana El Asaad (direct ownership)	GM, Retail and Private banking	0.0064%	0.0064%	0.0064%	0.0064%	0.0064%	No change

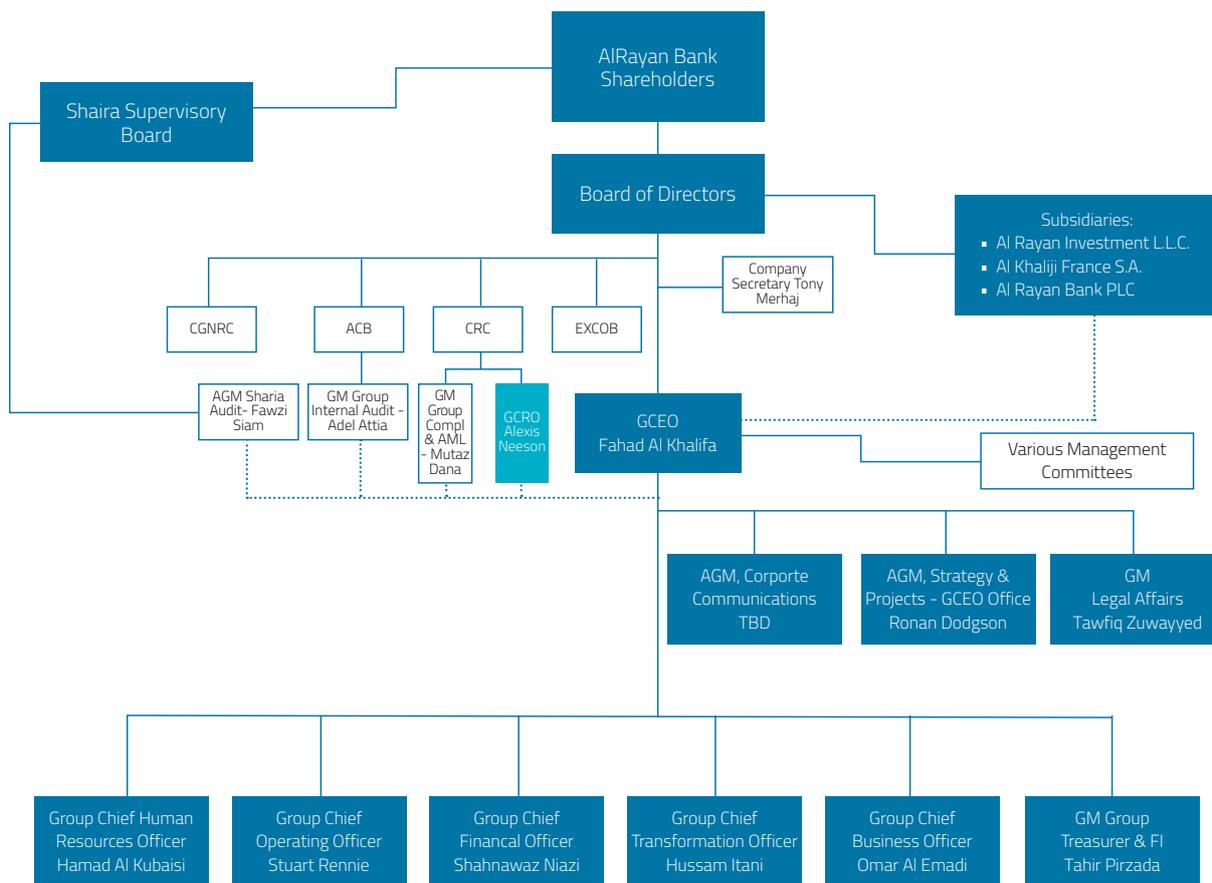
### 3.3.3 Management Committees

There are several management Committees as follows:

- a) Senior Management Executive Committee (EXCOM):** supports the Group CEO and the Senior Management in decision-making, reviewing developments within the businesses, managing the day-to-day operations of the Bank, discussing matters of Group strategy and formulating recommendations for the Board or relevant Board committees.
- b) Group Asset, Liability and Capital Committee (GALCCO):** supports the Group CEO and the Senior Management in managing and optimizing the asset, liability, and capital structure of Group within the approved risk and operational boundaries articulated in the group policies.
- c) Credit and Investment Committee (CIC):** approves credits, investments and product programs within the limit of authorities delegated to it by the Board or the relevant Board committees.
- d) Group Risk Committee (GRC):** in charge of maintaining effective governance and oversight of risk related developments and performance, monitoring the enforcement of the internal control framework, monitoring the implementation of the business continuity plan and making appropriate decisions and recommendations to help reduce operational risk, and enhance its value contribution.
- e) Group Security Steering Committee (GSSC):** maintains effective governance and oversight of security related matters.
- f) IT Steering Committee (ITSC):** maintains effective governance and oversight of IT related matters.
- g) Group Special Investigation Committee (GSIC):** created as an independent advisory and recommending body to assist GCEO/EXCOM in responding to events of impropriety and fraud incidents.
- h) Group Tender Committee (GTC):** oversee the procurement and tendering processes launched by the Bank
- i) ESG Committee (ESGC):** is a committee formed by GCEO for the purpose of managing the implementation of the ESG Framework
- j) Transformation Working Group:** provides strategic direction, decision-making authority, and oversight for AIRayan Bank transformation initiatives.
- k) Executive Data Governance Committee (EDGC):** in charge of managing the implementation of the EDGC Framework. The Committee provides executive guidance of the bank's data strategy, ensuring alignment with organizational goals, regulatory compliance and innovation priorities.
- l) Strategy Delivery and Value Realization (SDVR) Steering Committee:** provides strategic direction and oversight to ensure the bank's three-year strategy is delivered effectively.

Full governance structure can be checked in the Group Organizational Chart below.

### 3.4 Group Organizational Chart



### 3.5 Incentives and Remunerations

#### Board Remuneration Policy

Below is the policy that determines the basis and method of granting Board remunerations. The below policy was endorsed by the General Meeting of Shareholders on 26 March 2025. The policy remains unchanged. We re-present the Policy herein for re-confirmation by the General Meeting as part of this Annual Corporate Governance Report:

1. Board remunerations shall conform with market practice, consider the long-term objectives of the organization and be cognizant of risk;
2. Board remunerations must be based on the outcome of the Board performance assessment exercise without any kind of discrimination whatsoever vis-à-vis the race, religion, gender or otherwise.
3. Board remuneration comprises the annual bonus and the sitting fees of the Board and committees' meetings. It must be compliant with all relevant applicable laws and regulations
4. The Board remunerations must be linked to the Balanced Scorecard that sets the Compliance and Performance KPIs. The Balanced Scorecard/ Compliance and Performance KPIs is a system for measuring financial and non-financial performance including compliance with laws and regulations indices such as Liquidity Coverage Ratio, Loans to deposit Ratio, Capital Adequacy ratio and others. The Bank shall set up goals and objectives and allocate weights for such indices for each fiscal year and get the final score audited by Internal Audit;
5. The Board shall set a policy for attendance fees and expenses related to the Board. Attendance fees may be paid immediately upon the conclusion of each meeting subject to the thresholds set forth under point 6 below. No attendance fees shall be paid for Board members attending through proxies. The total

of attendance fees paid to the Chairman and Board members during a fiscal year must be presented to the General Meeting for endorsement in accordance with point 9 below. In the event where the General Meeting does not endorse the attendance fees for the full Board or for a specific member, the full Board or that specific member, as applicable, shall be obliged to pay back to the Bank the attendance fees they received throughout the year;

6. The total amounts received by the Chairman of the Board and each director including annual bonus, sitting fees and expenses shall not exceed QAR 2.5 million and QAR 2.3 million respectively per year in accordance with the relevant regulations by QCB. In all events, the total remunerations for all Board members shall not exceed 5% of the Bank's net profit after deduction of depreciation, reserves, and distribution of dividends of no less than 5% of the share capital;
7. The above amounts are only the ceilings that the Board can approve as Board remuneration in a fiscal year. The actual remuneration amounts are linked and depends on the actual goals achieved in a fiscal year as per the Bank's Balanced Scorecard. The Corporate Governance, Nomination and Remuneration Committee shall conduct an annual performance assessment for the Board and its committees. Based on the assessment outcome, the Committee determines the remuneration amounts based on the principles of the said policy and recommend the same, together with a detailed assessment report to the full Board and to the concerned regulators, as applicable. The Chairman of the Board shall have the casting vote in case of any dispute or conflict that may arise as a result of this exercise;
8. The remuneration pool is calculated based upon the final score achieved by the Bank in the Balanced Scorecard in accordance with following formula: 50% of QCB total remuneration limit to be granted as Board remunerations if the Bank achieves 70% or less of the goals in the Balanced Scorecard; the full QCB total remuneration limit to be granted as remunerations if the Bank achieves 90% or above of the goals in the Balanced Scorecard. Any final score between 70% to 90% will entitle the Board to a total remuneration that will be calculated on prorata basis;
9. The total amount of Board remunerations including annual bonus and sitting fees determined in accordance with the afore-mentioned principles must be presented to the Annual General Meeting for approval;
10. Approved Board remunerations must only be disbursed upon obtaining No Objection from concerned regulators, as applicable, and are subject to the Bank achieving annual profits and distributing dividends of no less than 5% of the share capital;
11. Board remunerations must be disclosed in the audited financial statements. All amounts received by Board members, including, but not limited to, the proposed annual bonus, the sitting fees, the expenses or otherwise, must be disclosed in the Directors' Remuneration, Publicity Fees And Donations Report prepared in accordance with Article (122) of the Companies Law No (11) of 2015 as amended by Law No. (8) of 2021 and Article (39) of the Bank's Articles of Association which must be ready for shareholders inspection at least one week prior to the scheduled date of the Annual General Meeting;
12. In the event where no sufficient profits are achieved in a specific year to distribute dividends or in case of loss, the General Meeting will decide whether to grant remunerations to the Board in accordance with the law and subject to necessary regulatory approvals; and
13. This policy must be presented on a yearly basis to the Annual General Meeting to be re-confirmed in its current form or to be amended where applicable

#### **Proposed Board Remunerations for 2025:**

The Board made a proposal for Board annual remunerations based on the afore-mentioned policy. The aggregate amount proposed as Board annual remunerations for 2025 is QAR 22,333,000 subject to relevant regulatory and AGA approvals. For details, please refer to EY Financial Statements as of 31 December 2025 under note (31) and (38)(b) published at the very end of the Annual Report enclosed to the Report herein. Such financials are pending the endorsement of the Annual General Meeting to which the Report herein is addressed.

## Corporate Governance

Shareholders may check the Director Fees Report detailing all amounts received by the directors including proposed 2025 remunerations prepared in accordance with Article (122) of the Commercial Companies Law and Article (39) of the Bank's Articles of Association one week prior to the Annual General Meeting in the Corporate Secretariat office on the 23<sup>rd</sup> floor of AlRayan Bank head office in AlRayan Bank Tower, 69 Al Add Al Sharqi Street, Marina 40, Lusail City, Doha, Qatar. In order to be able to check the Director Fees Report, shareholders must produce an updated account statement of their shares from Edaa/Qatar Central Securities Depository dated no more than one week together with a copy of their IDs (in case the shareholder is a natural person) or copy of the Commercial Registration (CR), Corporate Card and an authorization letter signed by an authorized signatory on the CR and on the Corporate Card (in case the shareholder is a legal person).

### Senior Management and Employees Remuneration and Incentives Policy

Below is the policy that determines the basis and method of granting incentives and remunerations to the Senior Management and employees of AlRayan Bank. The below policy was endorsed by the General Meeting of Shareholders on 26 March 2025. The policy remains unchanged. We re-present the Policy herein for re-confirmation by the General Meeting as part of this Annual Corporate Governance Report:

1. AlRayan Bank employee remuneration package is comprised of four primary elements viz. basic salary, allowances, benefits and a performance bonus;
2. The basic salary, allowances and benefits are determined in accordance with market practices to ensure they are fit for purpose, competitive and compliant with regulatory/legal developments;
3. The performance bonus is discretionary and, if merited, is paid on an annual basis in arrears. It considers the long-term objectives of the organization, is cognizant of risk and must be purely dependent on the collective and individual performance without any kind of discrimination whatsoever vis-à-vis the race, religion, gender or otherwise;
4. The Performance Bonus, which is calendar based, is calculated with reference to a prescribed methodology based on principles set by the Corporate Governance, Nomination and Remuneration Committee of the Board as advised, when needed, by independent industry experts. The methodology sets a percentage between 2% to 7.5% of net income, depending on the final score achieved Bank-wise in the Balanced Scorecard, to be distributed as annual remunerations to the Bank's employees and senior management members. The main principle is a top-down meritocracy-based model where the individual payout is determined by the employees' performance assessment, their Departmental contribution and the Bank's achievements during the year. A deferral element is applied to align with Risk-based approach.
5. A Balanced Score Card (BSC) approach is utilized to gauge the achievement of the Bank and division. It sets goals and targets that must balance between projected revenues and the risks accompanying the revenues generated while maintaining compliance with internal controls and regulatory requirements;
6. At the start of each year the Board sets a series of financial and non-financial objectives for the organization which are outlined in a BSC. This forms the driver for department level scorecards, the goals of the GCEO, and each Senior Management member and staff member in the Bank and distils such goals into measurable key performance indicators;
7. The Bank's BSC objectives are carefully tracked and progress reports are periodically submitted to the Board. At year-end the results are subject to verification by internal audit;
8. The audited results, and proposed bonus pool, are presented to the Corporate Governance, Nomination and Remuneration Committee (CGNRC) for consideration and recommendation for Board final approval;
9. Individual payouts are subject to review and approval of the Division Head, Group Chief HR Officer, GCEO and Chairman as appropriate;
10. The performance bonus for members of Senior Management must be disbursed upon obtaining No Objection from concerned regulators, as applicable;

11. The Bank's compensation philosophy, scheme design, and absolute outlay shall be evaluated by the Board/CGNRC at each year-end or whenever needed to ensure it remains fit for purpose, competitive and compliant with regulatory/legal developments. The Committee may seek the assistance of an external consultant in this exercise;
12. Senior Management compensations must be disclosed in the audited financial statements; and
13. The policy herein must be presented on a yearly basis to the Annual General Meeting to be re-confirmed in its current form or to be amended where applicable

### Proposed Senior Management Remunerations for 2025:

The Board determined the annual remunerations for Senior Management members based on the aforementioned policy subject to regulatory approvals. To check the total Senior Management incentives for 2025, please refer to EY Financial Statements as of 31 December 2025 under note (38) (b) published at the very end of the Annual Report enclosed to this report herein. Such financials are pending the endorsement of the Annual General Meeting to which the Report herein is addressed.

## 3.6 Shareholders Profile and Share Trading

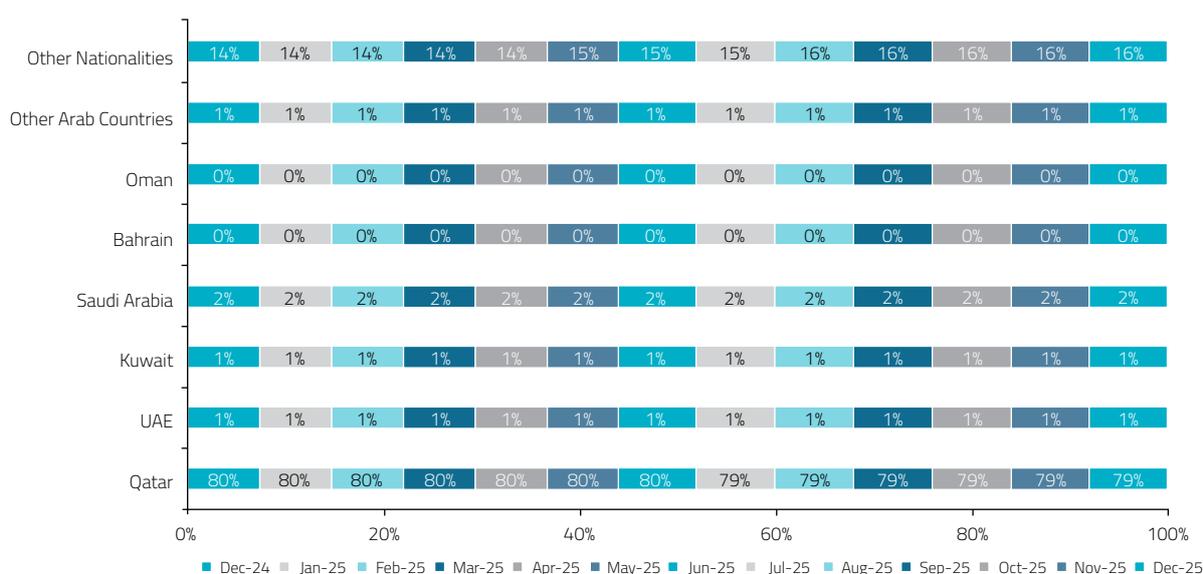
### 3.6.1 Capital and Ownership Structure

AlRayan Bank capital is QAR 9.3 billion fully paid distributed over 9.3 billion shares with a nominal value of QAR 1 per share.

As of 31 December 2025, AlRayan Bank had 174,466 shareholders, comprising pension funds, banks, mutual funds, insurers, sovereign wealth funds, corporations, small and medium enterprises, and retail investors from Qatar, Oman, Bahrain, UAE, Saudi Arabia, Kuwait and other Arab and foreign countries.

### 3.6.2 Evolution of Shareholder Base

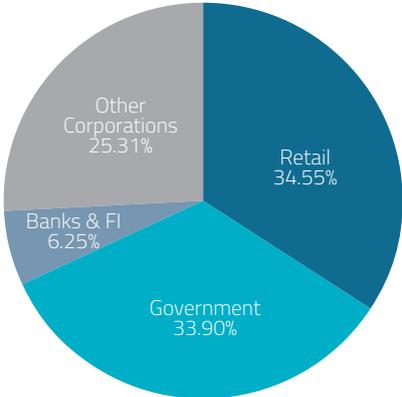
As of 31 December 2025, the percentage of Qatari ownership and foreign ownership reached 79% and 21% of the Bank's share capital respectively.



**Graph (1): Evolution of shareholder base by nationality**  
*(Analysis of our share registers with the Edaa)*

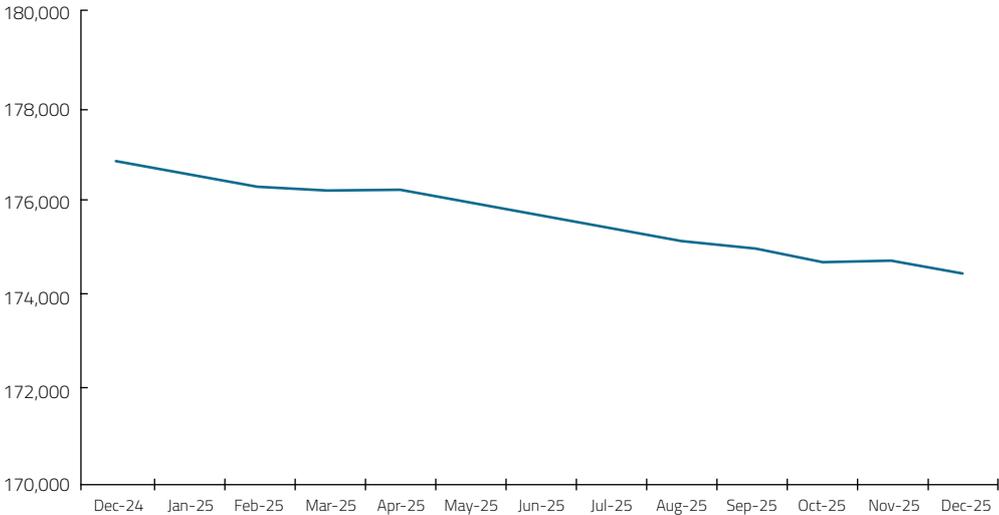
**Corporate Governance**

In 2025, the total shares’ percentage of Qatar government entities slightly decreased YOY from 34.04% to 33.90% of the Bank’s share capital as of 31 December 2025. The percentage of capital retained by other sectors slightly decreased YOY from 25.81% to 25.31% for corporations; increased YOY from 5.93% to 6.25% for banks/financial institutions (banks, funds, insurers, pension etc.) and slightly increased YOY for retail investors from 34.22% to 34.55% as of 31 December 2025.



**Graph (2): Evolution of shareholder base by category**  
(Analysis of our share registers with the Edaa)

Retail investors’ shareholding percentage experienced a modest increase, while the total number of shareholders continued to decline throughout 2025.



**Graph (3): Number of shareholders**  
(Analysis of our share registers with the Edaa)

**3.6.3 Major Shareholders**

As of 31 December 2025, AlRayan Bank had 3 major shareholders who own 5% or more of the Bank’s share capital. Qatar Investment Authority (QIA), our largest shareholder, slightly decreased from 20.60% as of 31 December 2024 to 20.46% as of 31 December 2025. It holds the shares indirectly through its fully owned company, Qatar Holding LLC, and other related government entities. Armed Forces Investment Portfolio in the Bank’s share capital remained unchanged at 7.51% as of 31 December 2025. It is our second largest shareholder. The Pension Fund, General Retirement and Social Insurance Authority (including civil and military funds) also remained unchanged at 5.70% as of 31 December 2025.

AlRayan Bank’s major shareholders held 33.67 % of AlRayan Bank’s capital as of 31 December 2025.

Major Shareholders	Category	Domicile	Shares	Percent
Qatar Investment Authority (QIA)*	Government	Qatar	1,902,727,790	20.46%
Armed Forces Investment Portfolio indirectly through Barzan Holding	Government	Qatar	698,574,780	7.51%
Pension Fund-General Retirement and Social Insurance Authority (civil and military funds)	Government	Qatar	529,839,892	5.70%
<b>Total</b>			<b>3,131,142,462</b>	<b>33.67%</b>

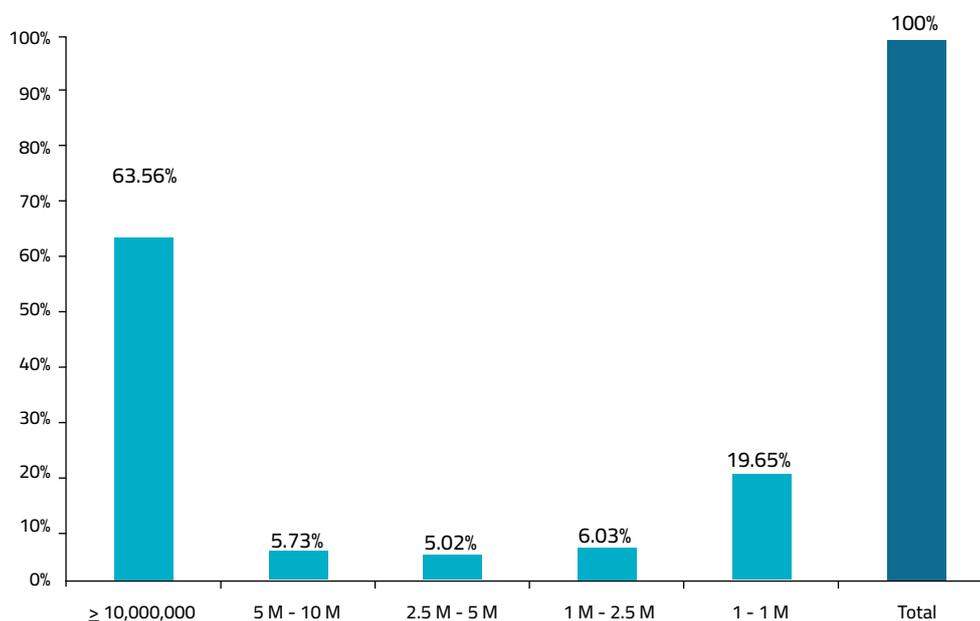
\*Directly or indirectly through related parties

**Table (1): AlRayan Bank major shareholders as of 31 December 2025**  
(Extract from our share register with Edaa)

### 3.6.4 Shareholders’ Concentration

On 31 December 2025, 112 investors (holding each 10 million and more of shares) – owned 63.56% of AlRayan Bank’s shares. Out of these 112 shareholders, 28 are private investors, 18 are banks or financial institutions, 59 are corporations, and 7 are Qatar Government entities.

The majority of shareholders are retail investors, holding less than 1,000,000 shares each.



**Graph (4): Shareholder concentration per number of shares**  
(Analysis of our share register with the Edaa)

## Corporate Governance

Shareholders			Breakdown*							
			Retail		Banks & FIs		Corporations		Qatar Government	
Shares Number	Investors	%	Investors	%	Investors	%	Investors	%	Investors	%
≥ 10,000,000	112	63.56%	28	6.84%	18	5.35%	59	17.63%	7	33.75%
5 M – 10 M	79	5.73%	36	2.46%	4	0.29%	38	2.92%	1	0.07%
2,5 M – 5 M	138	5.02%	73	2.63%	7	0.28%	57	2.06%	1	0.05%
1 M – 2.5 M	372	6.03%	277	4.42%	9	0.15%	84	1.45%	2	0.02%
1 – 1 M	173,765	19.65%	173,256	18.21%	48	0.18%	460	1.25%	1	0.01%
Total	174,466	100%	173,670	35%	86	6%	698	25%	12	34%

\*rounded figures

**Table (2): Shareholder concentration per category**  
(Analysis of our share register with the Edaa)

### 3.6.5 Trading Activity

During H2 2025, Al Rayan Bank recorded a 10% increase in its monthly average transactions compared to H1. The Qatar Stock Exchange saw a stronger rise of 20% in H2 Vs H1, while the Banks and Financial Institutions sector posted a 15% gain over the same period.

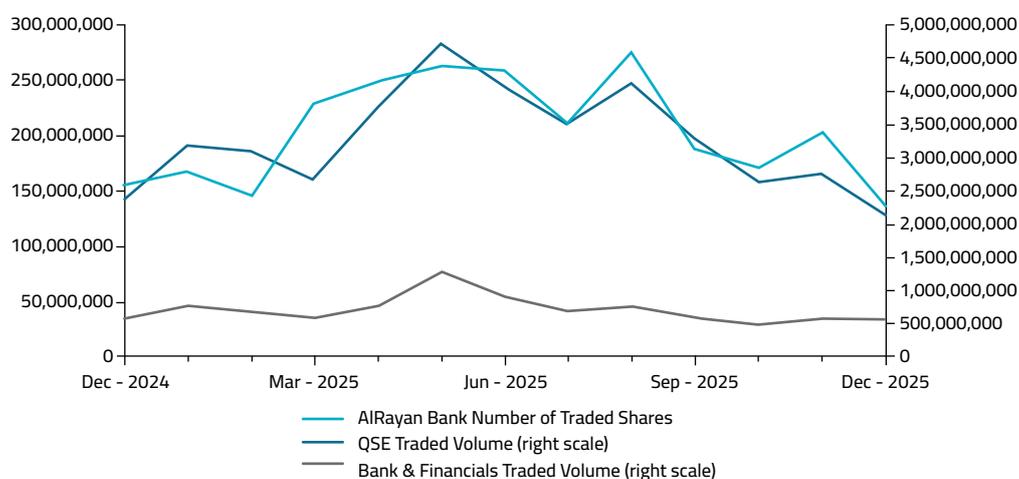
Average number of transactions during:	Qatar Stock Exchange	Banks & FIs	AlRayan Bank
H1 2025	375,697	127,892	21,587
H2 2025	451,213	146,507	23,713

**Table (3): Average number of transactions (H1 versus H2 2025)**  
(Analysis of information provided by the Qatar Stock Exchange)

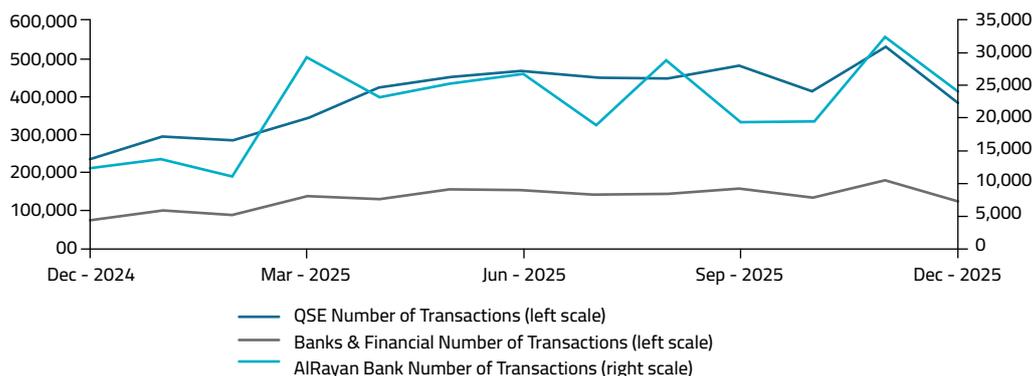
### 3.6.6 Trading Volumes

Al Rayan Bank's traded shares reached their peak in August 2025 at 274.7 million shares, before dropping to their lowest level in December 2025 at 135.9 million shares. This represents a decline of 9.71% in the second half of the year compared to the first half.

Similarly, the QSE traded volume and the Banks & Financials sector peaked in May 2025 during the first half of the year, at 4.7 billion and 1.3 billion shares respectively. Both experienced a gradual decline in the second half, resulting in an overall decrease of 14% and 27% (H2 vs. H1) respectively.



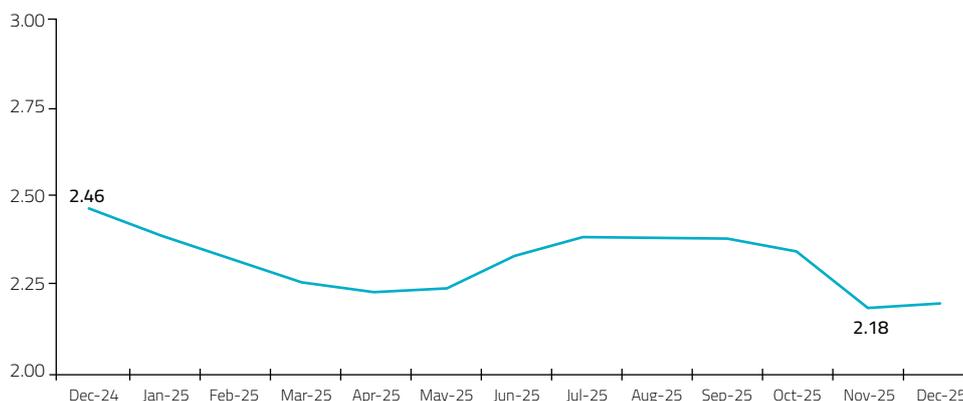
**Graph (5): Traded volumes (in number of shares)**  
(Analysis of information provided by the Qatar Stock Exchange)



**Graph (6): Number of transactions**  
*(Analysis of information provided by the Qatar Stock Exchange)*

### 3.6.7 Share Price and Volatility

In 2025, AlRayan Bank's share price decreased by 10.92% (from QAR 2.46 at end-2024 to QAR 2.18 at end-2025), compared to 7.50% increase for the QSE Index and 10.76% increase for the Banks and FIs Index.



**Graph (7): AlRayan Bank share price (December 2024 – December 2025)**

## 3.7 Credit Ratings

As per latest rating in 2025, Moody's have affirmed AlRayan Bank's long-term rating as 'A2' and short term rating as P1 with a "Stable" outlook. Fitch also affirmed the bank's ratings at A/F1.

- (1) Strong Government related franchise which provides a solid domestic asset base.
- (2) High capitalization
- (3) Solid and stable profitability

However, the above mentioned strengths could be impacted by:

- (1) High concentration in assets and liabilities
- (2) High reliance on market funds
- (3) Weakening in asset quality

## 4. ESG Annual Report

AlRayan Bank stands at the forefront of fostering a sustainable and responsible business environment. With a steadfast commitment to social well-being, economic growth, and environmental integrity, the bank proudly fulfills its role as a responsible corporate citizen and a pioneering Islamic bank in Qatar, championing sustainability.

In 2025, with milestone achievements, AlRayan Bank distinguished itself as a leader in advancing sustainability and innovative sustainable finance solutions. Al Rayan Bank successfully concluded the **first QAR Green Sukuk issuance** with clearing and listing in Qatar of QAR 500mio. It launched the **Islamic Sustainable Finance product** for corporate clients, which supports green and social projects based on eligibility criteria. This year also, AlRayan Bank's **ESG MSCI rating** is upgraded from BB to BBB. This improvement reflects the bank's yearly achievements and measurable progress in its environmental and social initiatives. **ALRayan Bank Sustainability Forum** gathered industry leaders and experts to discuss pathways for unlocking sustainable finance through climate risk and opportunities. The bank aspires to create a meaningful, positive impact on the community and the environment through these concerted efforts.

Adhering strongly to sustainability principles, **AlRayan Bank's Group ESG policy** clearly articulates its dedication to responsible banking. The policy is a cohesive and robust framework for its ESG commitments, ensuring all divisions are aligned in their approach. To support effective implementation, the policy provides detailed, topic-specific policies and position statements that guide practical application in business, risk management, services, and control functions.

Building on the comprehensive ESG Policy, the bank has further strengthened its approach by developing an integrated **ESG & Climate Risk Management Framework**. This framework clarifies the processes for assessing ESG risks across the client base and incorporates a range of quantitative analyses, including risk materiality assessments for physical and transition climate risks, as well as social and governance risks. It also embeds an ESG screening tool to evaluate clients' ESG profiles and identify areas where the bank can provide support. Through this framework, the bank aims not only to better understand clients' ESG risk exposures but also to

pinpoint opportunities to assist clients in enhancing their ESG performance.

AlRayan Bank is the first Islamic bank in Qatar to join the **Partnership for Carbon Accounting Financials (PCAF)**. The bank leveraged PCAF emissions-intensity data to conduct its first portfolio-wide transitional risk materiality assessment. The objective was to better understand the level and distribution of transitional risk across its client portfolio. In doing so, the bank explicitly considered key transmission channels through which transitional risk affects clients — including the impact of carbon pricing and taxation on operating costs and profitability, potential reputational pressures, shifts in consumer preferences, and changes in investor sentiment and access to capital. By assessing clients' exposure to these channels, the bank aims to identify both risk levels and emerging opportunities to support clients' transition plans, including opportunities for further credit granting. As part of this exercise, the bank is also identifying target clients that could benefit from sustainability-linked lending structures and transition-finance solutions.

In compliance with **Qatar Stock Exchange ESG disclosure**, AlRayan Bank is committed to transparency and alignment with the exchange disclosure guidelines. In line with SSEI and the WFE recommendations, Qatar Stock Exchange has developed a set of ESG Key Performance Indicators. Al Rayan Bank is reporting on the Qatar Stock Exchange sustainability platform, the QSE Arab Sustainability Platform. The report is also enclosed with this report.

AlRayan Bank, in partnership with HSBC, completed in 2024 the **first-ever Islamic ESG KPI Linked repurchase agreement (repo)**, marking a significant milestone in sustainable finance to strengthen AlRayan Bank's transition journey. This innovative structure incorporates Sustainable Performance Targets (SPTs) that the bank is committed to achieving over the next three years.

Launched in 2022, **AlRayan Bank's Sustainable Finance Framework** aligns with Qatar's ambitious transition targets, the Qatar National Vision 2030, and the recently unveiled Sustainability Strategy from the Qatar Central Bank. With a steadfast commitment to meeting these Sustainable Performance Targets, AlRayan Bank showcases its proactive approach to ESG strategy, demonstrating tangible progress on its transition journey.

### **AIRayan Bank first QAR Green Sukuk issuance with clearing and listing in Qatar**

AI Rayan Bank have successfully concluded the first QAR Green Sukuk issuance with clearing and listing in Qatar of QAR 500mio. This landmark transaction underscores the bank's dedication to collaborating with diverse stakeholders in its mission toward sustainability

### **AIRayan Bank ESG Rating Upgrade**

In 2025, AIRayan Bank's MSCI rating is upgraded from BB to BBB. This improvement reflects the bank's yearly achievements and measurable progress in its environmental and social initiatives. The upgraded rating underscores the bank's ongoing commitment to sustainable finance and responsible banking.

### **AIRayan Bank Launches Islamic Sustainable Finance Products**

AI Rayan Bank has introduced Islamic Sustainable Finance products for its corporate clients, including Islamic Green, Social, and Sustainable Financing, which supports green or social projects based on eligibility criteria in the Sustainable Finance Framework.

Eligible green projects include green buildings and renewable energy sources, while eligible social projects encompass education, healthcare, and start-ups. Sustainable Finance can also combine both aspects in a single project, following steps such as identifying project eligibility, managing and utilizing proceeds, and reporting.

Additionally, Islamic Sustainability-Linked Financing is designed to help borrowers meet defined sustainability targets, with terms directly tied to their performance, following a structured process of selecting KPIs, setting Sustainability Performance Targets, managing proceeds, and reporting.

### **AIRayan Bank Sustainability Forum 2025**

AIRayan Bank Group hosted its first Sustainability Forum, bringing together industry leaders to explore pathways for unlocking sustainable finance through climate risk and opportunities. The bank invited corporate clients, regulators, financial institutions, and other stakeholders to attend the forum and share their insights and expertise.

The forum featured a panel of distinguished speakers who provided valuable insights on sustainability in

the real estate sector, decarbonization strategies, and leveraging Islamic, sustainable, and digital finance. In addition to the panel discussion, the forum included a session showcasing AIRayan Bank Group's innovative financial solutions that align with Qatar Central Bank's Sustainable Finance Framework, as well as a session led by S&P Global that offered insightful perspectives on sustainable finance, reporting, low-carbon technologies, and transition strategies.

The financial sector plays a crucial role in driving this transition by ensuring funds are allocated to projects that deliver long-term value. Sustainability goes beyond compliance and reporting; it involves navigating changes and evolving our practices to achieve sustainable growth.

### **AI Rayan Bank is expanding its Green and Sustainable Investment Book**

Demonstrating its commitment to sustainability and environmental responsibility, AI Rayan Bank is strategically investing in Green/Sustainable Sukuks to the tune of c.USD 207.5 mio in 2025. This commitment reflects the bank's commitment to support projects and initiatives that contribute to a more sustainable future, as well as combatting climate change and fostering positive environmental impact.

### **AIRayan Bank Launches EV Charging Station on Premises**

AIRayan Bank has introduced an EV charging station on its premises, encouraging employees to adopt eco-friendly practices and demonstrating the bank's commitment to environmental sustainability. This initiative not only supports the use of electric vehicles among staff but also aligns with the bank's broader goals of reducing its carbon footprint and promoting green energy solutions. By providing convenient access to EV charging, AIRayan Bank is making it easier for employees to transition to cleaner transportation options, thereby contributing to a healthier environment and showcasing its dedication to corporate social responsibility.

### **AIRayan Bank "Go Green" Campaign**

AIRayan Bank internal "GO Green" campaign promotes digital transactions and reduce paper usage, works to shift a significant portion of its operations to digital channels, and embed sustainability principles in supplier selection to strengthen sustainability across its value chain.

### ESG Governance

The Board of AlRayan Bank oversees its comprehensive Corporate Governance framework through its Corporate Governance, Nominations, and Remunerations Committee (the "CGNRC"). This includes developing and approving policies and frameworks related to environmental, social, and governance (ESG) considerations.

To ensure the effective implementation of the ESG Framework, a senior management-level ESG Governance Committee has been established. This Committee reports directly to the Group Chief Executive Officer (CEO), who provides regular updates to the CGNRC on the progress of the implementation. The CGNRC is responsible for communicating relevant ESG matters to the full Board, including any necessary actions and recommendations.

The Board's responsibilities include governing and managing climate risk strategies. The ESG Committee oversees climate-related activities, initiatives, performance metrics, and management accomplishments.

The ESG Team is an advisory entity to the ESG Committee and senior management on all sustainability-related matters. It manages all ESG reporting and disclosures and collaborates closely with relevant departments on projects associated with ESG. The ESG Team reviews all departmental policies to ensure ESG integration and abiding by the subject ESG policy commitments.

### AlRayan Bank Commitments

AlRayan Bank is dedicated to becoming a leader in sustainability, offering innovative and impactful banking solutions that support Qatar's sustainability journey in line with Qatar's National Vision 2030 and the UN Sustainable Development Goals. As a vital partner in realizing the ambitious aspirations of this national vision, the bank is committed and plays a crucial role in fostering an advanced society that promotes growth while ensuring a high quality of life for all citizens.

Qatar's National Vision 2030 encompasses critical environmental and social challenges, and AlRayan Bank is determined to address these issues as a core element of its sustainability strategy, contributing positively to the future of our nation. This strategy is articulated around three pillars: human and Social Development, Economic Development, and Environmental Development.

### Pillar I: Human and Social Development

AlRayan Bank is committed to enhancing Qatar's educational and healthcare landscapes, nurturing a skilled workforce, and championing social welfare and protection. The Bank's unwavering focus on employee health, safety, and well-being is supported through comprehensive policies, regular audits, necessary certifications, and continuous training programs. This ensures a safe working environment that adheres to regulatory standards.

To further promote the well-being of its staff, AlRayan Bank boasts a fully equipped gym, a dedicated cafeteria, and on-site medical assistance provided by a qualified nurse. The bank's social responsibility initiatives prioritize youth empowerment, environmental sustainability, community development, sports, and educational advancement, all driven by a commitment to volunteering and active community involvement that aligns with Qatar's National Vision.

In support of Qatarization, AlRayan Bank is dedicated to creating rewarding job opportunities for Qatari nationals, nurturing local talent, and ensuring a prosperous future for its workforce. Recognizing and developing talent is at the core of its values, with clearly defined career pathways, support for educational and professional growth, and a comprehensive performance program implemented through the LEAD strategy. This approach fosters growth, excellence, and a robust corporate culture. Through these initiatives, AlRayan Bank is pivotal in advancing Qatar's sustainable development while ensuring compliance with local laws and regulations.

In alignment with Qatar Central Bank (QCB) directives on financial inclusion, the Bank is committed to ensuring equitable access to all products and services for customers with visual impairments. All staff provide courteous, respectful, and proactive assistance to blind or visually impaired customers, including offering alternative formats for documents, facilitating secure and confidential transactions, and ensuring that service counters and digital platforms are accessible. These measures reflect the bank's dedication to inclusiveness, regulatory compliance, and the highest standards of customer care.

### Corporate Social Responsibility

AlRayan Bank is guided by progressive CSR in conjunction with its vision for growth. The core of the Bank's CSR program is a conviction in its mission to drive sustainable economic, human, social and

environmental development in line with the Qatar National Vision 2030. In this context, the Bank allocates 2.5% of its yearly net profits to the Sports and Social Activities Fund ("Fund") pursuant to the provisions of Qatar's Law No. (13) of 2008 amended by Law No. (8) of 2011. The Bank's contribution to the Fund for the year ended 31 December 2025 amounted to QAR 38.3 million.

In 2025, AIRayan Bank continued to solidify its deep commitment to corporate social responsibility (CSR), treating it as a core pillar of its corporate identity. This commitment is rooted in a set of fundamental values, compassion, inclusion, sustainability, and community engagement, and in a vision inspired by Islamic principles of justice and fairness, fully aligned with the Qatar National Vision 2030, which calls for a diversified economy, a cohesive society, and a sustainable environment.

Throughout the year, the Bank worked to further develop an integrated approach to CSR and Environmental, Social and Governance (ESG) practices, built around three interlinked dimensions: people first, the environment as a trust to be safeguarded, and the economy as a vehicle for creating shared value, not only for shareholders, but equally for customers, employees, the community and future generations. This approach translated into a broad range of programs and initiatives, spanning charitable support and social protection for the most vulnerable, youth and student empowerment, enhanced employment and national talent development, environmental sustainability, expanded health awareness, and thought leadership on digital transformation and governance in the financial sector. These efforts were complemented by a series of community partnerships and international awards that reflected wide recognition of the Bank's role.

In that sense, AIRayan Bank is no longer simply a financial institution providing Sharia-compliant banking services; it has become an active partner in shaping a balanced development model that reconciles economic profitability with ethical responsibility and lasting social and environmental impact.

### **1. Charitable Support and Social Protection for Vulnerable Groups**

During the holy month of Ramadan, AIRayan Bank placed the values of generosity and solidarity at the heart of its community initiatives, launching a series of programs designed to support the most

vulnerable groups and to strengthen social cohesion within Qatari society. This included support to the Qatar Autism Society, reflecting the Bank's conviction in the importance of inclusion and the right of every individual, including those on the autism spectrum, to access appropriate care and services that respect their dignity and support their integration into society.

In the same humanitarian spirit, the Bank contributed to the Qatar Cancer Society, in an initiative with a strong human dimension aimed at alleviating the suffering of patients and their families, enhancing the quality of health and awareness services available to them, and reinforcing a culture of early detection and prevention. On the economic justice front, AIRayan Bank contributed to Qatar Charity's Debtors program (Al Gharimeen), enabling several heavily indebted individuals to restore their financial balance and reintegrate into society with dignity, in line with the spirit of solidarity that is one of the pillars of Islamic finance.

The Bank also continued its support to the Qatar Society for Rehabilitation of Special Needs through initiatives aimed at improving accessibility and enhancing the quality of life for persons with disabilities, by providing more inclusive services and integrated support that respond to their real needs and help them achieve greater independence.

This commitment to social protection further extended to retirees and contributors in public pension schemes. AIRayan Bank signed a platinum partnership agreement with the General Retirement and Social Insurance Authority (GRSIA), enabling the Bank to contribute to community-impact projects implemented by the Authority and strengthening its position as a platinum sponsor of initiatives linked to social responsibility, thus ensuring sustained support for retirees and contributors over the long term.

### **2. Social Cohesion, National Culture and Sport**

In the realm of social cohesion and cultural heritage, AIRayan Bank served as Platinum Sponsor of the Garangao Celebration in Msheireb Downtown Doha, a traditional event with deep roots in the collective memory that brought together families and children into a festive atmosphere filled with joy and belonging. This sponsorship created a bridge between Qatari traditions and institutional participation and embodied the Bank's conviction that preserving cultural heritage is an integral part of its responsibility towards national identity.

## Corporate Governance

Within the same national context, the Bank took part in Qatar National Sports Day, organising a series of internal activities that reflected the values of health, fitness, and teamwork, sending a clear message that the physical and mental well-being of employees is an essential component of the Bank's culture and of a balanced work environment.

AlRayan Bank also participated in the annual "Thank You, Qatar, for Social Work" forum, under the patronage of HE the Minister of Social Development, where the Bank was honoured in recognition of its efforts and continuous support for community initiatives, a testament to the trust it enjoys as a reliable partner in the country's social development journey.

Believing in the role of sports in promoting healthy lifestyles and in reinforcing Qatar's status as a global hub for major sporting events, AlRayan Bank signed an agreement with the Qatar Billiards and Snooker Federation to sponsor the Qatar 10-Ball World Cup, becoming the official sponsor of the world championship in this category. This partnership reflects the Bank's ongoing commitment to supporting sports and sports tourism as key drivers of community and economic development.

In the same spirit, the Bank participated in the "Senyar 2025" Sea Fishing Festival, celebrating Qatar's maritime heritage and supporting craftsmen and traditional boatbuilders, while underscoring the importance of striking a balance between protecting the marine environment and preserving the cultural identity connected to it.

### 3. Education, Student Empowerment, and Human Capital Development

In the field of education, AlRayan Bank maintained an active presence through targeted initiatives addressing school students, university students, and recent graduates, driven by the belief that investing in people is the most sustainable form of investment.

To mark International Day of Education, the Bank hosted a group of Qatari students from a secondary school in Education City as part of its CSR role in encouraging young people to consider careers in the banking sector. The initiative took the form of a guided field visit to the Bank's Lusail headquarters, where students were introduced to the banking work environment through meetings with Qatari leaders from Retail and Corporate Banking. They also

took part in a training workshop on governance and sustainability that included interactive competitions to deepen their understanding of the Bank's social responsibility and its contribution to the national economy.

This visit gave students a unique opportunity to learn first-hand about the ethical finance principles embraced by the Bank and helped bridge the gap between academic education and professional readiness by linking what they study in the classroom to the practical realities of banking.

In parallel, AlRayan Bank participated in the national programme "My Career, My Future" in its seventh edition, organised by the Qatar Career Development Center, a member of Qatar Foundation. As part of this programme, the Bank hosted a group of Qatari male and female secondary students to introduce them to the nature and prospects of banking careers and to encourage them to consider the sector as a future path.

To further support the emergence of a new generation of specialists in the financial and banking sector, AlRayan Bank sponsored and took part in the fourth cohort of the "Future Assets" programme, organised by the Qatar Finance & Business Academy in partnership with Qatar Central Bank and with the support of the Qatar Financial Centre and Qatar Stock Exchange. The programme aims to raise awareness among secondary students and recent graduates about the core concepts and principles of the financial and banking sectors in Qatar.

Deepening this trajectory, the Bank served as Gold Sponsor of the national "Financial Cadres" (Kawader Malia) programme in its tenth edition, launched by the Qatar Finance & Business Academy in partnership with Qatar Central Bank, the Ministry of Labour, and the Civil Service and Government Development Bureau. Through this contribution, AlRayan Bank supports the training of highly skilled national financial professionals capable of leading the country's financial future.

At university level, the Bank delivered a specialised lecture to students at the College of Business and Economics at Qatar University, entitled "Services and Advantages in SME Financing". The session showcased the financing solutions provided by the Bank, its role in supporting entrepreneurs and the private sector, and its contribution to economic diversification and sustainable development.

The Bank also maintained its presence in key educational and career platforms by participating in the Qatar Career Fair, where it met with youth, graduates, and jobseekers and introduced them to career opportunities in Sharia-compliant banking, reinforcing its standing as an employer of choice in the financial services sector and strengthening its role as a bridge between the classroom and the labour market.

#### **4. Qatarization, National Talent Development, and Academic Partnerships**

Beyond empowering students academically, AlRayan Bank reinforced its position as an employer of choice for young Qataris through its extensive involvement in career fairs and national talent development programmes.

The Bank took part in Qatar University's Career Fair, offering students and graduates the opportunity to explore employment, internship, and scholarship opportunities in collaboration with the University's Career Development Center, thereby strengthening channels of engagement with young national talent.

AlRayan Bank also participated in the 2025 Education City Career Fair, a major collaborative event organised by Carnegie Mellon University in Qatar, Georgetown University in Qatar, Hamad Bin Khalifa University, HEC Paris in Qatar, Northwestern University in Qatar, Texas A&M University at Qatar, and VCUarts Qatar, in partnership with Qatar Foundation. At this fair, the Bank showcased training, employment, and scholarship opportunities for students from a wide range of disciplines.

The Bank's presence extended to the third Career Fair at Lusail University, held under the patronage of His Excellency Minister of Labour, where it presented training and employment opportunities and strengthened its engagement with promising young national talent. It also participated in the Carnegie Mellon University in Qatar Career Fair, offering job, scholarship and internship opportunities to the university's highly talented students, and took part in the Career Fair at Doha University for Science and Technology, where it presented various work, training and scholarship opportunities for creative and gifted students, all within a comprehensive vision for building sustainable career pathways for Qatari youth in the banking sector.

To anchor this strategy, AlRayan Bank organised an Open Recruitment Day in collaboration with the

Ministry of Labour, designed to welcome Qatari youth and professionals seeking to build rewarding banking careers. This event embodied the Bank's ongoing commitment to supporting Qatari talent, enhancing skills and opening up career growth pathways aligned with national development priorities. Participants were able to meet recruitment managers and senior executives, learn about available vacancies and future career options, and explore graduate and training programmes as well as professional development tracks across the Bank's various divisions.

Strengthening the connection between academic knowledge and the labour market, AlRayan Bank also sponsored the "Meeting of Minds" programme at Carnegie Mellon University in Qatar, helping to create a platform for dialogue between students, experts, and senior leaders on topics related to economics, business, technology, and innovation.

#### **5. Environmental Sustainability**

In the context of public awareness, the Bank partnered with Al Meera to participate in "International Plastic Bag Free Day" through a campaign that covered more than 69 branches, successfully raising awareness of the harmful impacts of single-use plastic and encouraging more responsible and sustainable consumption habits.

Further strengthening its role in protecting natural resources, AlRayan Bank, in the presence of His Excellency Minister of Environment and Climate Change, signed a cooperation initiative with the Ministry of Environment and Climate Change to support national efforts in protecting meadows and preserving the environment, in line with Qatar National Vision 2030. The initiative includes practical programmes such as fencing meadows, organising regular clean-up campaigns, planting native trees and plants, and launching awareness programmes that enhance environmental sustainability. The Bank also participated in the Ministry's official launch ceremony for Qatar's first National Strategy to Combat Desertification 2025 - 2030, where it was honoured in recognition of its contribution to environmental protection.

#### **6. Health Awareness and Quality of Life**

Knowledge empowerment and health awareness featured prominently in the Bank's activities throughout the year, fully in line with its belief that health is a cornerstone of sustainable development.

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In cooperation with the Primary Health Care Corporation, AlRayan Bank organised an awareness session on smoking cessation, delivered by a specialist in community medicine. The session aimed to equip participants with practical strategies and support pathways to help them adopt healthier lifestyles and overcome harmful habits.

The Bank also organised a bilingual awareness session on the risks of sun exposure during the summer months, focusing on ways to protect against ultraviolet radiation (UVA/UVB) and its effects on the skin and overall health. The session included the distribution of informative materials encouraging self-care and the adoption of preventive behaviours.

In the context of its ongoing commitment to early detection and preventive health, AlRayan Bank hosted a breast cancer awareness workshop in collaboration with Doha Health Group as part of Breast Cancer Awareness Month. The programme included a lecture on signs, symptoms, prevention methods and self-examination, in addition to clinical examinations and an open discussion with a specialist doctor, giving participants the opportunity to receive direct, evidence-based medical advice.

The Bank, its employees, and their families also participated in the World Diabetes Day campaign, organised by the Qatar Diabetes Association (QDA), in which AlRayan Bank participated as Platinum Sponsor. In line with the theme "Diabetes and the Workplace," the event combined targeted health education, on-site clinical tests, and one-to-one consultations to support efforts for prevention and early detection among employees and to promote the concept of a healthy work environment and ended with the World Diabetes Day Walkathon.

### 7. Sector Thought Leadership, Digital Transformation, Governance, and Compliance

At the national and sectoral level, AlRayan Bank played an active role in leading professional dialogue on the future of the financial sector, digital transformation, sustainability, governance, and compliance.

The Bank took part as a Diamond Sponsor in the 2025 Qatar Digital Transformation in Trade and Treasury Summit, held under the patronage of the Ministry of Commerce and Industry. The summit brought together leading local and international experts to discuss digital transformation in trade finance, the evolution of Islamic banking,

sustainability governance, and the future of sustainable treasury practices, reinforcing the Bank's presence as a key player in shaping the sector's future direction.

In the realm of specialist economic events, AlRayan Bank participated in Cityscape Qatar 2025, where it offered exclusive financing offers, financial rewards, and flexible repayment plans in support of the real estate sector and to facilitate property ownership in line with Sharia principles.

AlRayan Bank and Al Rayan Investment also served as Lead Partners at IFN Qatar Dialogues 2025, where they shared expert insights on Islamic banking, investment products, and asset management in Qatar and the wider region, reaffirming the Bank's position as a leading Islamic finance institution and a central voice in regional financial dialogue.

The Bank further hosted a team from Bloomberg, who shared their perspectives on social and corporate sustainability and engaged in interactive discussions on ESG frameworks and key considerations related to sustainability and fixed income and equity classifications.

On the governance, compliance and information security front, AlRayan Bank completed its compliance with the National Information Assurance (NIA) standard and officially received its compliance certificate from the National Cyber Security Agency, reflecting its commitment to the highest standards of information security and customer data protection, and enhancing stakeholder trust in its digital environment.

The Bank also took part in the launch ceremony for specialised training programmes in combating financial crime, held under the theme "A Nation's Immunity: Towards Financial Security and an Aware Society", organised by the Qatar Finance & Business Academy. This participation underscored the Bank's conviction in the importance of reinforcing a culture of compliance and integrity and strengthening the national framework for combating financial crime within the financial sector.

### 8. Regional and International Awards

AlRayan Bank's efforts in CSR, sustainability, and banking innovation earned wide recognition at local, regional, and international levels.

At the 2025 Qatar CSR Summit, the Bank received the award for Best CSR Initiative in the Financial

and Banking Sector and participated as a Diamond Sponsor, contributing to national dialogue on sustainability, governance, and ethical business practices, and cementing its reputation as a financial institution that places values at the heart of its strategic direction.

AlRayan Bank was honored with the Earthna Certificate in recognition of its active participation in Qatar Sustainability Week, highlighting its leadership and dedication to sustainability.

On the global awards front, Euromoney named AlRayan Bank the Best for Sustainability. World Business Outlook recognised it as the Best Sharia-Compliant Bank, Leading Islamic Bank in Qatar, and Most Innovative Islamic Bank in Qatar. Global Business Magazine granted the Bank the award for Best Sharia-Compliant Banking Solutions, while International Business Magazine named it Best CSR Bank in Qatar. International Banker awarded AlRayan Bank the titles of Best Innovation in Retail Banking Services and Best Islamic Bank in Qatar.

Regionally, the Bank strengthened its position among the leading financial institutions in the Middle East. It ranked 21st on Forbes Middle East's list of the Top 30 Most Valuable Banks in 2025, and 50th on the list of the Top 100 Listed Companies in the Middle East for the same year, two achievements that reflect strong performance, broad impact and deep trust among all stakeholders.

## 9. Shared Value and a Sustainable Future

Through every charitable initiative, every educational or professional programme, every environmental, health or community partnership, every dialogue it leads in the financial sphere, and every recognition it earns locally, regionally and internationally, AlRayan Bank continues to embed a model of leadership grounded in responsibility, resilience and human impact.

By placing CSR at the core of its corporate mission, the Bank remains committed to creating shared value with society, empowering individuals and institutions, and advancing towards a sustainable future that springs from ethical growth and rests on genuine community partnership, in full harmony with Qatar National Vision 2030 and in embodiment of the true spirit of Islamic banking at its finest.

### Pillar II: Economic Development

AlRayan Bank is dedicated to enabling the private

sector to drive sustainable development. The Bank's commitment to small and medium-sized enterprises (SMEs) is embodied in an innovative SME strategy aligned with Qatar National Vision. This strategy includes financing SMEs, supporting entrepreneurs and talented individuals, fostering business innovations and future job skills, supporting start-ups aligned with UN Sustainable Development Goals (SDGs), and promoting social impact initiatives. Additionally, the bank focuses on youth innovation and development programs, empowering women entrepreneurs and businesses, and developing future skills programs.

In the dynamic realm of fintech, AlRayan Bank is at the forefront of innovation, championing a Fintech Sandbox within its visionary Innovation Lab, 'NEXT.' This initiative aligns seamlessly with the QCB's Fintech Strategy and Qatar's ambitious vision for diversifying its economic landscape. Through these pioneering efforts, the Bank is contributing substantially to Qatar's economic development.

### Sustainable Finance and Sustainable Finance Framework

As the first Islamic bank to introduce in 2022 a sustainable finance framework with a second-party opinion from S&P, AlRayan Bank's commitment supports its sustainability goals, contributing to Qatar's national vision and aligning with the UN Sustainable Development Goals (SDGs).

The Bank is actively operationalizing its Sustainable Finance Framework by embedding sustainability considerations into its core financing and capital markets activities. This includes the systematic development of a sustainability-aligned asset registry, enabling the identification, classification, and monitoring of eligible green and sustainable assets across the balance sheet in line with the Framework's eligibility criteria.

This asset registry forms a foundational component of the Bank's sustainable finance strategy, enhancing transparency, governance, and reporting capabilities. In parallel, the Bank is assessing opportunities to leverage this asset base to support future sustainable funding initiatives, including the potential issuance of Green Sukuk. These efforts reflect the Bank's commitment to aligning its financing activities with evolving market practices, peer benchmarks, and national and international sustainability objectives, while strengthening its readiness for sustainable capital market transactions.

## Corporate Governance

Committed to promoting sustainability, AlRayan Bank focuses on reducing carbon emissions and investing in green, social, and sustainable ventures, including green sukuk and diverse green products. The bank recognizes its vital role in sustainable growth by offering various financing options that resonate with Qatar's environmental responsibilities, especially concerning preserving essential resources such as air, land, water, and biodiversity.

The Bank's has elected to create a Sustainable Finance Framework under which it can issue Green Bond(s)/Sukuk/Loan(s)/Financing(s) or Social Bond(s)/ Sukuk/Loan(s)/Financing(s) or Sustainability Bond(s)/Sukuk/Loan(s)/Financing(s). The Framework is in accordance with the ICMA Green Bond Principles (GBP) 2021, Social Bond Principles (SBP) 2021, Sustainability Bond Guidelines (SBG) 2021, LMA Green Loan Principles (GLP) 2021 and Social Loan Principles (SLP) 2021. The Framework is also aligned with the Qatar Financial Centre (QFC) Sustainable Sukuk and Bonds Framework, which was published in March 2022. It is the first in the GCC or Gulf Cooperation Council region, aimed at further developing the local debt market in the country. The QFC's Sustainable Sukuk and Bonds Framework integrates local requirements and features with ICMA's globally accepted principles to create a harmonised financial market ecosystem locally, based on international standards.

In alignment with these Principles, for each Green, Social or Sustainability Bond(s)/Sukuk/Loan(s)/ Financing(s) issued, AlRayan Bank asserts that it will adopt the following, as set out in the Framework:

### Use of Proceeds

An amount equivalent to the net proceeds raised from any AlRayan Bank's Green, Social or Sustainability Bond/Sukuk/Loan/Financing issued under the Sustainable Finance Framework will be allocated, in part or in full, to finance or refinance sustainable projects which meet the eligibility criteria of the Eligible Green and/or Social Project categories ("Eligible Sustainable Projects")

### Process for Project Evaluation and Selection

The eligible green and social projects will be subject to due diligence by the ESG Governance Committee, which ensures that they meet the criteria set out above in the 'Use of Proceeds' section.

The ESG Governance Committee ("ESGC") set up by AlRayan Bank is made up of representatives from

the following departments: Treasury, Finance and Investor Relations, Wholesale Banking, Corporate Communications, GCEO Office- Strategy and Development, Corporate Governance- Company Secretary, Compliance, Human Resources and Risk. Additional relevant departments may be added to the ESG depending on the projects selected.

The ESG is chaired by the Group Chief Transformation Officer (GCTO) and will meet on a regular basis to review and oversee ESG related topics.

### Management of Proceeds

The equivalent of the net proceeds of each AlRayan Bank Green, Social or Sustainability Bond(s)/Sukuk/ Loan(s)/Financing(s) will be earmarked towards eligible green and/or social projects as stated in the Framework, using the Bank's Sustainable Financing Register. The Sustainable Financing Register will manage the allocation of proceeds of all Green, Social or Sustainable Bond(s)/Sukuk/Loan(s)/Financing(s) and will track at least the following information:

Type of Sustainable Financing Transaction: principal amount of proceeds, transaction date, maturity date and repayment or amortisation profile.

Allocation of Use of Proceeds: name and description of allocated and unallocated eligible green and/or social projects, the allocated amount per green and/or social project, AlRayan Bank's share of financing, maturity dates, and the remaining balance of unallocated proceeds, if any.

### Reporting

On an annual basis, AlRayan Bank will publish an allocation report and an impact report on its Green, Social or Sustainable Bond/Sukuk/Loan/Financing issued ("issuances") within one year from the date of Issuance in the Annual Report of AlRayan Bank until full allocation of the net proceeds of the issuances. As of 31 December 2025, the AlRayan Bank has concluded its debut 3-year ESG KPI linked Repo with HSBC and first Green Sukuk Issuance.

Committed to promoting sustainability, AlRayan Bank focuses on reducing carbon emissions and investing in green, social, and sustainable ventures, including green sukuk and diverse green products. The bank recognizes its vital role in sustainable growth by offering various financing options that resonate with Qatar's environmental responsibilities, especially concerning preserving essential resources such as air, land, water, and biodiversity.

### Pillar III: Environmental Development

AlRayan Bank is a proud advocate for Qatar's National Environment and Climate Change Strategy (QNE) and the National Climate Change Action Plan (NCCAP), which reflect the aspirations of Qatar National Vision 2030 and the UN Sustainable Development Goals. The Bank takes decisive action on environmental priorities by championing sustainable finance, integrating ESG principles into vendor sourcing, and actively working to minimize carbon emissions across all its operations. Through AlRayan Bank's Sustainable Finance Framework, the Bank is dedicated to investing in green buildings and renewable energy initiatives while ensuring responsible procurement and robust supply chain practices. These actions underscore its unwavering commitment to fostering a sustainable future in alignment with local laws and regulations.

Located in Lusail, AlRayan Bank's headquarters proudly holds a GSAS 4 certification, exemplifying its dedication to sustainability. The building features essential eco-friendly components, including energy-efficient lighting, solar panels, advanced water management systems, and a comprehensive waste segregation program for recycling. Additionally, the bank has initiated an inspiring internal campaign to transform offices into 'GO Green' zones, promoting paper-free transactions and embracing digital operations to enhance sustainability efforts.

In its commitment to promoting a sustainable future, the Bank has successfully transitioned a significant portion of physical transactions to digital channels, thereby reducing its environmental impact. The shift to digital methods enhances convenience and aligns with the bank's responsibility to protect the planet.

This remarkable adoption of digital channels underscores the bank's dedication to technological advancement and environmental sustainability. By embracing digitalization, the bank is transforming customer experience and making a tangible contribution to a greener future.

### Environmental, Social, Governance, and Climate Risk

The Qatar Central Bank has established comprehensive ESG guidelines addressing Environmental, Social, and Climate Risks within its governance framework. AlRayan Bank stands firmly committed to proactively managing Environmental, Social, and Governance (ESG) risks, striving to

diminish potential adverse effects while fostering sustainable value for its stakeholders. By prioritizing identifying and assessing relevant ESG risks and opportunities, AlRayan Bank actively tackles climate-related challenges, fully aware of their potential impact on its operations, financed assets, and the broader community.

AlRayan Bank is dedicated to enhancing sustainable financial performance by prioritizing climate risk management in all financing activities and customer engagements. By integrating climate-related considerations into its policies and operations under QCB ESG guidelines, the Bank effectively identifies and mitigates high-risk areas, thereby reinforcing its robust risk management framework.

By joining PCAF in 2024, the Bank has taken significant step towards transparency by disclosing financed scope 3 greenhouse gas emissions, playing an integral role in Qatar's initiative to reduce carbon emissions.

Moreover, AlRayan Bank is determined to conduct a thorough materiality assessment to gain valuable insights into various ESG risks and proactively manage the identified challenges. This assessment will pinpoint critical ESG risks and clarify which issues are most relevant for the Bank's operations and stakeholders. The materiality assessment will be conducted annually or more frequently to evaluate the likelihood and potential impact of ESG risks on the Bank's operations.

In 2025, the Bank developed a robust and multi-dimensional set of capabilities under its ESG Risk Management Framework, significantly advancing its approach to managing ESG and climate-related risks and opportunities across the organization. This includes the development of a comprehensive ESG & Climate Risk Management Framework that sets out clear governance, processes, and responsibilities. The Bank has completed its first assessments of transition risk, physical climate risk, and social and governance risks across its portfolios, supported by the rollout of an ESG screening tool to systematically evaluate client ESG profiles.

In parallel, the Bank has begun embedding climate risk and broadened ESG considerations into its primary risk policies, ensuring these factors are reflected in day-to-day risk management and decision-making. It has also introduced an ESG-focused vendor assessment tool to strengthen oversight across its supply chain and third-party

relationships. Furthermore, the Bank is establishing a climate risk appetite statement to guide strategic risk-taking in line with its sustainability ambitions and is developing a dedicated ESG data architecture to enable consistent measurement, monitoring, and reporting of ESG metrics across the institution.

### 1. Transitional risk materiality assessment

The Bank completed its first transition risk materiality assessment, leveraging PCAF emissions-intensity data to segment and benchmark its client portfolio at the sectoral level. This approach enabled the Bank to identify sectors and clients that are relatively more exposed to the dynamics of a low-carbon transition.

The assessment incorporated multiple transmission channels of transition risk, including the impact of carbon taxes and pricing on operating costs and profitability, regulatory and disclosure developments, reputational pressures associated with high emissions profiles, shifts in consumer preferences, and changes in investor sentiment and access to capital. By integrating these channels into the analysis, the Bank gained a comprehensive view of how transition risk may influence clients' business models, cash flows, and creditworthiness, while also identifying areas where transition financing and sustainability-linked lending solutions could support clients' decarbonization efforts.

### 2. Physical risk materiality assessment

The Bank also finalized its first physical risk materiality assessment to evaluate clients' exposure to climate-related acute and chronic hazards.

The list of pertinent physical risks was developed in alignment with the Qatar National Climate Change Action Plan 2030 and further informed through benchmarking against other GCC countries that exhibit similar climate and geographic characteristics. This ensured that the assessment reflected region-specific vulnerabilities such as extreme heat, water stress, sea level rise, and the potential disruption of critical infrastructure and supply chains.

Through this assessment, the Bank enhanced its understanding of how physical climate risks may affect clients' operations, asset values, and business continuity, supporting more informed risk management and engagement with clients on resilience and adaptation measures.

### 3. Social and Governance materiality assessment

The Bank has further strengthened its portfolio monitoring capabilities by designing its first sector-level assessment of social and governance risks across its client portfolio.

The analysis was informed by key themes and risk drivers drawn from SASB guidance, recognized as a leading authority for sector-specific ESG considerations. Through this work, the Bank deepened its understanding of how issues such as labor practices, community impact, data privacy, business ethics, board effectiveness, and transparency can influence clients' resilience and long-term performance.

The exercise provided valuable learnings on sectoral patterns and priority risk areas, which the Bank is now able to apply to its client due diligence, ongoing portfolio monitoring, and engagement activities. It also supports more targeted conversations with clients on strengthening governance practices and managing socially driven risks that may affect reputation, regulatory scrutiny, and access to capital.

### 4. ESG Due Diligence

In addition, the Bank has introduced a new ESG screening tool to complement its sector-level analysis by evaluating ESG risks at the individual client level.

A sound understanding of each client's ESG profile and behavior is recognized as critical for managing and monitoring the broad range of ESG risks associated with a client relationship. Through this tool, the Bank captures both ESG and climate-related risks of existing and prospective clients, including their climate risk profile, which in many cases requires direct engagement by Relationship Managers and coverage teams to understand transition plans, governance arrangements, and data availability. Client-level ESG assessments are carried out using the Bank's ESG scorecard, which builds on the sectoral assessment and provides a structured view of risk across environmental, social, and governance dimensions.

This enables the Bank to identify heightened risk exposures, support more informed credit decision-making, and engage proactively with clients in improving their ESG practices over time.

### 5. Vendor Assessment Tool

To enhance the robustness of vendor due-diligence, the Bank has introduced an ESG-focused vendor

assessment tool to strengthen oversight of its third-party relationships and supply chain.

Recognizing that ESG risks can extend beyond clients to vendors and service providers, the tool evaluates potential and existing vendors across a range of environmental, social, and governance criteria. Key evaluation factors include the existence of a formal code of conduct, implementation of environmental policies and emissions tracking, adherence to recycling and waste management practices, compliance with minimum wage and labor standards, corporate social responsibility initiatives, and other governance and sustainability practices.

By systematically assessing ESG performance at the vendor level, the Bank can identify high-risk relationships, prioritize engagement, and incorporate ESG considerations into procurement and vendor management decisions. This capability not only supports operational resilience and regulatory alignment but also reinforces the Bank's commitment to responsible business practices across its ecosystem.

## 6. Climate Risk Appetite

The Bank is in the process of establishing a climate risk appetite statement, which is currently aspirational in nature and primarily focused on guiding the systematic collection of climate-related data to support more advanced risk analysis in the future.

At this stage, the statement emphasizes capturing key metrics such as energy efficiency ratings for client and property portfolios, actual emissions from counterparties, and other relevant climate indicators. While the appetite thresholds are still being refined, this initiative lays the foundation for embedding climate considerations into strategic decision-making, portfolio monitoring, and credit risk management.

By formalizing its approach, the Bank aims to progressively integrate climate risk into its risk appetite framework, enabling more informed assessment of exposures and the identification of opportunities to support clients' transition to lower-carbon operations.

## 7. ESG Data Architecture

The Bank has been developing a dedicated ESG data architecture to support the systematic collection, integration, and analysis of ESG and climate-related information across its operations and client portfolio.

This architecture is designed to address the growing range of reporting obligations, including requirements from the Qatar Stock Exchange (QSE), the Central Bank, and various ESG rating agencies. It enables the Bank to capture, standardize, and track ESG data consistently, ensuring data quality, transparency, and accessibility for internal risk management, regulatory reporting, and external disclosure purposes.

By establishing a robust data foundation, the Bank can perform more sophisticated ESG analyses over time, monitor trends and risk exposures across clients and sectors, and support evidence-based decision-making for credit allocation, engagement, and sustainability-linked initiatives.

## 8. Operational emissions quantification

The Bank is in the process of measuring its operational emissions across Scope 1, Scope 2, and Scope 3 (excluding category 15), covering a range of emission sources including energy consumption in buildings, fleet and business travel, procurement-related emissions, and employee commuting.

This initiative is a cross-departmental effort, with significant contributions from Procurement, Facilities, HR, and other teams, reflecting the Bank's commitment to embedding sustainability throughout its operations. The Bank plans to report its 2025 operational emissions in due course, providing transparency and accountability. Beyond compliance, this effort serves a broader purpose: by understanding and reducing its operational carbon footprint, the Bank aims to minimize its environmental impact, contribute to global climate goals, and inspire positive change across its stakeholders, demonstrating that financial institutions can play a meaningful role in protecting the planet.

## International and Local Standards and Frameworks

AIRayan Bank is dedicated to integrating its operations with local and global sustainability standards and best practices. This commitment ensures the successful execution of the Environmental, Social, and Governance (ESG) strategy, which positively influences stakeholders both inside and outside the organization. Additionally, the Bank's initiatives support Qatar's goals of enhancing social equity and nurturing a community that values environmental responsibility.

Al Rayan Bank ESG Disclosure Report on Qatar Stock Exchange

	2025	2024	2023	2022	2021	2020
<b>Environment</b>						
Any legal or regulatory responsibility for an environmental impact: Yes/No If yes, explain	No	No	No	No	No	No
Does the company publish and follow an environmental policy? Yes/No .	No	No	No	No	No	No
Energy used (GJ/employee)	53.67	61.45	62.29	٧٧,٦٤	43.67	30.6
Percentage of renewable energy used (%)	19	23	25	27	28	29
Specify the primary source of energy used by the company	Electricity & Solar Panels					
The total volume of water recycled/reused in m3 by the organization per year	15,375.81	12,102.32	12,470.15	16,576.70	11,371.85	8,213.80
Total amount of energy used (GJ)	32,150.51	33,785.77	35,629.46	47,362.60	32,491.16	23,468.68
Total greenhouse gas emissions (tonnes)	N/A	N/A	N/A	N/A	N/A	N/A
Total waste produced (kg)	159,573.60	156,467.51	152,380.80	162,504.00	١٩٨,٢٠١,٦٠	٢٠٤,٣٢٨,٨٠
Total water use (m3)	16,787.43	20,240.17	١٩,١٩,١٤	17,487.86	13,299.43	17,300.57
<b>Social</b>						
Average hours of training per employee	31.64	35.3	27.38	15.33	9.75	13.68
Disclosure and adherence to a Human Rights Policy? Yes/No	Yes- HR Policy and Code of Conduct					
Does the company prohibit the use of child or forced labor throughout the supply chain? Yes/No	Yes- HR Policy and Qatar Labor Law					
Does the company publish and follow a policy for occupational and global health issues? Yes/No	N/A	N/A	N/A	N/A	N/A	N/A
Employee turnover rate (%)	5.41	9.23	7.9	17.4	5.6	5.8
Employee wages & benefits ( in millin USD)	93	90	89	117	87	80
Nationalisation rate (%)	33.9	33	33.9	35.9	32	32.6
Number of grievances about human rights issues filed, addressed and resolved	None	None	None	None	None	None
Pre-tax profits invested in the community (%)	2.7	2.7	2.8	2.9	2.7	2.6

	2025	2024	2023	2022	2021	2020
<b>Social</b>						
Spending on locally-based suppliers (%)	82.4	59.6	84.30	83.20	73.39	81.74
Total number of injuries and fatal accidents (contractors)	0	0	0	0	0	0
Total number of injuries and fatal accidents (employees and contractors)	0	0	0	0	0	0
Total number of injuries and fatal accidents (employees)	0	0	0	0	0	0
Total workforce (FTE)	577	551	572	610	744	767
Women in the workforce (%)	29	29.2	29.2	29.5	30.6	30.8
<b>Corporate Governance</b>						
CEO pay ratio	41.64	41.43	41.6	41.35	-	-
Disclosure of the voting results of the latest AGM. Yes/No	Yes		Yes	Yes	Yes	yes
Does the company publish and follow a Bribery/Anti-Corruption Code? Yes/No	Yes	Yes	Yes	Yes	Yes	Yes
Does the company publish and follow a Supplier Code of Conduct? Yes/No	Yes	NO	NO	NO	NO	NO
Does the company publish and follow an Ethics Code of Conduct? Yes/No	Yes	Yes	Yes	Yes	Yes	Yes
Executive compensation linked to performance indicators. Yes/No	Yes	Yes	Yes	Yes	Yes	Yes
Female directors on the board (%)	None (0)	None (0)	0	0	0	0
Independent directors on the board (%)	27.27	27.27	27.27	27.27	27.27	33.33
Median male salary to median female salary	Uniform/ Equal Salary Scale					
Role separation of Chairman and CEO. Yes/No	Yes	Yes	Yes	Yes	Yes	Yes
Sustainability report published. Yes/No	Yes	Yes	Yes	Yes	Yes	Yes
Use a firm in third-party assurance of non-financial information. Yes/No	Yes	Yes	Yes	Yes	Yes	Yes

## Appendix I- Independent External Auditor Report on Corporate Governance

Independent Practitioner's Assurance Report to the Shareholders of AlRayan Bank (Q.P.S.C.) (formerly known as Masraf Al Rayan (Q.P.S.C))

**Report on Compliance with Qatar Financial Markets Authority's (QFMA's) law and relevant legislation, including the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the QFMA's Board pursuant to the QFMA's Decision No. (5) of 2016 as at 31 December 2025 ("QFMA's Requirements"/"the Requirements")**

### Introduction

In accordance with the requirements of Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market (the "Governance Code" or the "Code") Issued by the Qatar Financial Markets Authority (QFMA) Board pursuant to Decision No. (5) of 2016, we have carried out a limited assurance engagement over the Board of Directors' assessment of compliance with the QFMA's Requirements of AlRayan Bank (Q.P.S.C.) (Formerly known as Masraf Al Rayan (Q.P.S.C.)) (the "Bank") as at 31 December 2025.

### Responsibilities of the directors and those charged with governance

The Board of Directors of the Bank are responsible for preparing the Board of Directors' assessment, as included in the 'Compliance Statement' within section 1 of the Annual Corporate Governance Report, that covers at a minimum the requirements of Article 4 of the Code.

The Board of Directors are also responsible for ensuring the Bank's compliance with the QFMA's law and relevant legislations and the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No. (5) of 2016 and preparing the Board of Directors' assessment.

The Board of Directors are also responsible for identification of areas of non-compliance and related justifications, where mitigated.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that if operating effectively

would ensure the orderly and efficient conduct of its business, including compliance with applicable laws and regulations.

### Responsibilities of the Assurance Practitioner

Our responsibilities are to issue a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the Board of Directors' assessment, as included in the 'Compliance Statement' within section 1 of the Annual Corporate Governance Report does not present fairly, in all material respects, the Bank's compliance with the QFMA's law and relevant legislations, including the Code, based on our limited assurance procedures.

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

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

A limited assurance engagement involves assessing the risks of material misstatement of the Board of Directors' assessment, whether due to fraud or error, and responding to the assessed risks as necessary in the circumstances. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Accordingly, we do not express a reasonable assurance conclusion about whether the Board of Directors' assessment, taken as a whole, has been presented fairly, in all

material respects, in accordance with the QFMA's law and relevant legislations, including the Code.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of reporting policies for the Bank and agreeing with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of management to obtain an understanding of the processes followed to identify the requirements of the QFMA law and relevant legislations, including the Code; the procedures adopted by management to comply with these Requirements and the methodology adopted by management to assess compliance with these requirements;
- considered the disclosures by comparing the contents of the Board of Directors' assessment against the requirements of Article 4 of the Code;
- agreed the relevant contents of the Board of Directors' assessment to the underlying records maintained by the Bank; and
- performed limited substantive testing on a selective basis, when deemed necessary, to assess the Board of Directors' assessment, and observed evidences gathered by management; and assessed whether violations of the QFMA's Requirements, if any, have been disclosed by the Board of Directors, in all material respects.

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

### **Our independence and quality management**

In carrying out our work, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants ("IESBA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality

and professional behaviour and the ethical requirements that are relevant in Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm applies International Standard on Quality Management 1 ("ISQM 1") which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Inherent limitations**

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

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

Because of the inherent limitations of internal controls over compliance with relevant laws and regulations, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

### **Other information**

The Board of Directors are responsible for the other information. The other information comprises the Annual Corporate Governance Report (but does not include the "Board of Directors' assessment"), which we obtained prior to the date of this assurance report, and the Annual Report, which is expected to be made available to us after that date.

Our conclusion on the "Board of Directors' assessment" as included in the 'Compliance Statement' within section 1 of the Annual Corporate Governance Report, does not cover the other information and we do not, and will not express any form of assurance conclusion thereon.

## Corporate Governance

In connection with our assurance engagement on the "Board of Directors' assessment as included in the 'Compliance Statement' within section 1 of the Annual Corporate Governance Report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with our knowledge obtained in the engagement, or otherwise appears to be materially misstated.

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

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

### Emphasis of Matter

Without modifying our conclusion, we draw attention to Note (1) to the Board of Directors' assessment that it mentions that the QFMA issued the Governance Code for Companies & Legal Entities Listed on the Main Market pursuant to QFMA Decision No. (5) of 2025 ("the New Code"), effective from 17 August 2025, which repealed the previous QFMA's Board Decision No. (5) of 2016 concerning the issuance of the Governance Code for Companies and Legal Entities Listed on the Main Market. Companies have one year from the effective date to align with the New Code.

The scope of our engagement for the year ended 31 December 2025 is to render a limited assurance conclusion on the Bank's compliance with QFMA's Board Decision No. (5) of 2016 and not on the compliance with the New Code, which came into effect on August 17, 2025. Further, we emphasize that our engagement scope does not extend to assessing the Bank's readiness in complying with the New Code's requirements.

## Conclusion

Based on our limited assurance procedures described in this report, nothing has come to our attention that causes us to believe that the Board of Directors' assessment on compliance with the QFMA's Requirements does not present fairly, in all material respects, the Bank's compliance with the QFMA's law and relevant legislations, including the Code as at 31 December 2025.

**For and on behalf of PricewaterhouseCoopers – Qatar Branch**

**Qatar Financial Market Authority registration number 120155**



**Waleed Tahtamouni**

Auditor's registration number 370  
Doha, State of Qatar

**22 February 2026**

## Appendix II - Independent External Auditor Report on ICOFR

Independent Practitioner's Assurance Report to the Shareholders of AlRayan Bank (Q.P.S.C.) (formerly known as Masraf Al Rayan (Q.P.S.C))

**Report on the suitability of design and operating effectiveness of internal controls over financial reporting of significant processes as at 31 December 2025.**

### Introduction

In accordance with the requirements of Article 11 of the Governance Code for Companies (the "Governance Code" or the "Code") issued by the Qatar Financial Markets Authority (QFMA) Board, pursuant to decision No. (5) for 2025, we have carried out a reasonable assurance engagement over the "Board of Directors' Report on Internal Controls over Financial Reporting" of AlRayan Bank (Q.P.S.C.) (formerly known as Masraf Al Rayan (Q.P.S.C)) ("the "Bank") as at 31 December 2025, based on the framework issued by the Committee Of Sponsoring Organisations of the Treadway Commission "COSO Framework".

### Responsibilities of the directors and those charged with governance

The Board of Directors of the Bank are responsible for presenting the "Board of Directors' Report on Internal Controls over Financial Reporting" for the Bank on a standalone level, which includes:

- the Board of Directors' assessment of the suitability of design and operating effectiveness of internal controls over financial reporting for the Bank on a standalone level;
- description of the identification of significant processes and internal controls over financial reporting for the Bank on a standalone level; and
- assessment of the severity of design and operating effectiveness of control deficiencies, if any noted, and not remediated at 31 December 2025.

The assessment presented in the Board of Directors' Report on Internal Controls over Financial Reporting will be based on the following elements included within the Risk Control Matrices provided by the Bank's management:

- the control objectives; including identifying the risks that threaten the achievement of the control objectives; and
- designing and implementing controls to achieve

the stated control objectives.

The Bank's Board of Directors are also responsible for establishing and maintaining internal financial controls based on COSO framework.

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

- adherence to the Bank's policies;
- the safeguarding of its assets;
- the prevention and detection of fraud and errors;
- the accuracy and completeness of the accounting records;
- the timely preparation of reliable financial information; and
- compliance with applicable laws and regulations.

### Responsibilities of the Assurance Practitioner

Our responsibilities is to express a reasonable assurance opinion based on our assurance procedures on the "Board of Directors' Report on Internal Controls over Financial Reporting" for the Bank on a standalone level, based on the COSO framework.

We have conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB').

This standard requires that we plan and perform our procedures to obtain reasonable assurance on the Board of Directors' assessment of suitability of the design and operating effectiveness of the internal controls over financial reporting of significant processes, as presented in the "Board of Directors' Report on Internal Controls over Financial Reporting" for the Bank on a standalone level, in all material respects, to achieve the related control objectives stated in the description of the relevant processes by management, based on the COSO framework.

A process is considered significant if a misstatement due to fraud or error in the stream of transactions or financial statements amount would reasonably be expected to impact the decisions of the users of the financial statements. The processes that were determined as significant are:

## Corporate Governance

1- Corporate and retail financing;	5- Procurement, payable and payments;
2- Deposits;	6- Trade finance;
3- General ledger and financial reporting;	7- Treasury and investments.
4- Human resources and payroll;	

The evaluation also included assessment of the design, implementation and operating effectiveness of Entity Level Controls, Information Technology General Controls and Application Controls.

An assurance engagement to express a reasonable assurance conclusion on the "Board of Directors' Report on Internal Controls over Financial Reporting" for the Bank on a standalone level, based on the COSO framework involves performing procedures to obtain evidence about the fair presentation of the report. Our procedures on internal controls over financial reporting included:

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

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

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring Activities

The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the suitability of design and operation, whether due to fraud or error. Our procedures also included assessing the risks that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the "Board of Directors' Report on Internal Controls over Financial Reporting" for the Bank on a standalone level. Our procedures included testing the operating effectiveness of those controls that we consider necessary to provide reasonable assurance that the related control objectives were achieved.

An assurance engagement of this type also includes evaluating the Board of Directors' assessment of the suitability of the design and the operating effectiveness of the controls over the control objectives stated therein. It further includes performing such other procedures as considered appropriate in the circumstances. Reasonable assurance is less than absolute assurance.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion on the Board of Directors' Report on Internal Controls over Financial Reporting of significant processes.

### Our independence and quality control

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

Our firm applies International Standard on Quality Management 1 ("ISQM 1") which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Concept of internal controls over financial reporting

An entity's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI") as modified by the Qatar Central Bank ("QCB"). An entity's internal control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity;

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorizations of the management of the entity; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

**Inherent limitations**

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the "Board of Directors' Report on Internal Controls over Financial Reporting" for the bank on a standalone level and the methods used for determining such information.

Because of the inherent limitations of internal controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected, which may not prevent or detect all instances of unauthorized use of assets that may have material impact on the financial statements. Historical evaluation of design and implementation of an internal control system may not be relevant to future periods if there is a change in conditions or that the degree of compliance with policies and procedures may deteriorate. Also, projections of any evaluation of the internal controls over financial reporting to future periods are subject to the risk that the internal control over financial reporting may become inadequate or fail because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Furthermore, the control activities designed and operated as of 31 December 2025 covered by our assurance report will not have retrospectively remedied any weaknesses or deficiencies that existed in relation to the internal controls over the financial reporting for significant processes prior to the date those controls were placed in operation.

**Other information**

The Board of Directors are responsible for the other information. The other information comprises the Annual Report (but does not include the "Board of Directors Report on Internal Controls over Financial

Reporting") which is expected to be available to us after the date of this assurance report.

Our opinion on the "Board of Directors' Report on Internal Controls over Financial Reporting" does not cover the other information and we do not, and will not express any form of assurance opinion thereon.

In connection with our assurance engagement on the "Board of Directors' Report on Internal Controls over Financial Reporting" for the bank on standalone level, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with our knowledge obtained in the engagement, or otherwise appears to be materially misstated.

If we conclude that there is a material distortion of the other information we obtained prior to the date of this report, based on our actions, we are required to prepare to report that fact.

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

**Conclusion**

In our opinion, based on the results of our reasonable assurance procedures, the Board of Directors' assessment of the suitability of the design and the operating effectiveness of the Bank's internal controls over financial reporting of significant processes, based on the COSO framework, and as presented in the "Board of Directors' report", is presented fairly, in all material respects, as at 31 December 2025.

**Emphasis of matter**

We draw attention to the fact that this assurance report does not extend to any subsidiaries of the Bank. Our report is not modified in this respect.

**For and on behalf of PricewaterhouseCoopers - Qatar Branch**

**Qatar Financial Market Authority registration number 120155**



**Waleed Tahtamouni**

Auditor's registration number 370  
Doha, Qatar

**22 February 2026**

# 07

## Audited Consolidated Financial Statement 2025

### Strong Results, Strong Foundations.

Our performance this year reflects disciplined execution and a resilient financial framework — a structure built on trust, strengthened by innovation.



## Shari'a Supervisory Board Report on Financial Statements

Date: 22 January 2026

### Report of Shari'a Supervisory Board Financial Year 31/12/2025

All praise be to Allah, and His peace and blessings be upon His prophet, his family, his companions and those who followed him.

The Shari'a Supervisory Board has reviewed the transactions, Contracts, products presented to it as well as financial and income statements and are of the opinion that the latter do not contravene with Shari'a rulings.

May Allah grant success and accomplishment to all towards whatever he likes and pleases Him.

**His Eminence Sheikh Dr. Waleed Bin Hadi** - Chairman of Shari'a Supervisory



**His Eminence Sheikh Dr. Mohamed Ahmeen** - Shari'a Board Member



**His Eminence Sheikh Dr. Sultan Al Hashimi** Shari'a Board Member



# CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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## Independent auditor's report to the shareholders of

AlRayan Bank (Q.P.S.C.) (formerly known as Masraf Al Rayan (Q.P.S.C.))

### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of AlRayan Bank (Q.P.S.C.) (formerly known as Masraf Al Rayan (Q.P.S.C.)) ("ARB" or the "Bank") and its subsidiaries (together the "Group") as at 31 December 2025 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI") as modified by the Qatar Central Bank ("QCB").

#### What we have audited

The Group's consolidated financial statements comprise:

- The consolidated statement of financial position as at 31 December 2025;
- The consolidated statement of income for the year then ended;
- The consolidated statement of comprehensive income for the year then ended;
- The consolidated statement of income and attribution related to quasi-equity for the year then ended;
- The consolidated statement of changes in equity for the year then ended;
- The consolidated statement of cash flows for the year then ended;
- The consolidated statement of changes in off-balance sheet assets under management for the year then ended; and
- The notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

#### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as applicable to audits of financial statements of public interest entities and the ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Qatar. We have fulfilled our other ethical responsibilities in accordance with IESBA Code and the ethical requirements in the State of Qatar.

#### Our audit approach

Overview

#### Key audit matters

- Impairment of financing facilities
- Impairment of goodwill

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Directors made subjective judgements; for example, in respect of material accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

### 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.

Key audit matter	How our audit addressed the key audit matter
<p><b>Impairment of financing facilities</b></p> <p>Impairment allowances represent the Directors' best estimate of the losses arising from credit risk and particularly from financing facilities (financing assets and off-balance sheet financing). As described in the summary of significant accounting policies to the consolidated financial statements, the impairment losses have been determined in accordance with FAS 30.</p> <p>We focused on this area because the Directors make complex and subjective judgements over both the amount and the timing of recognition of impairment, such as:</p> <ul style="list-style-type: none"> <li>▪ Determining criteria for significant increase in credit risk and non-performing financing facilities.</li> <li>▪ Choosing appropriate models and assumptions for the measurement of Expected Credit Losses ("ECL") including Probability of Default ("PD"), Loss Given Default ("LGD"), and Exposure at Default ("EAD").</li> <li>▪ Establishing forward-looking information, associated weighting, and staging analysis.</li> <li>▪ Determining the methodology used to identify and calculate individual impairment allowances for stage 3 exposures.</li> <li>▪ Determining disclosure requirements in accordance with the FAS 30.</li> </ul> <p>Further, financing assets and off-balance sheet financing are material within the overall context of the consolidated financial statements.</p> <p>As of 31 December 2025, the Group's gross financing facilities subject to credit risk comprised financing assets (net of deferred profit) of QAR 123,627,951 thousand and off-balance sheet financing of QAR 15,487,782 thousand, as disclosed in Notes 10 and 33.</p> <p>The corresponding allowances for impairment were QAR 5,014,683 thousand for the financing assets and QAR 77,545 thousand for the off-balance sheet financing, with further details provided in Notes 10 and 20 of the consolidated financial statements.</p> <p>Information on the credit risk and the Group's credit risk management is provided in Note 4 to the consolidated financial statements.</p>	<p>Our audit procedures in relation to this key audit matter included the following:</p> <ul style="list-style-type: none"> <li>▪ Assessed the design and tested the operating effectiveness of the relevant key controls around origination and approval of financing facilities, monitoring of credit exposures, and impairment calculation.</li> <li>▪ Evaluated the appropriateness of the Group's impairment provisioning policy in accordance with the requirements of FAS 30.</li> <li>▪ Used our own internal experts to independently assess the reasonableness of the ECL methodology developed and applied by Directors including model risk parameters (PD, LGD, and EAD), forward-looking information, associated weighting, and staging analysis.</li> <li>▪ Obtained an understanding of and tested the completeness and accuracy of the historical and current datasets used for the ECL calculation.</li> <li>▪ Tested a sample of financing facilities to determine the appropriateness and application of staging criteria.</li> <li>▪ Obtained an understanding of the methodology used to identify and calculate individual impairment allowance for stage 3 exposures and tested a sample of such exposures against the methodology.</li> <li>▪ Obtained samples of the latest available credit reviews conducted by the Bank and checked that they include appropriate assessment and documentation of borrowers' ability to meet repayment obligations (principal, profit, and fees).</li> <li>▪ Evaluated the adequacy of the consolidated financial statements disclosures to determine if they were materially in accordance with the requirements of FAS 30.</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<p><b>Impairment of goodwill</b></p> <p>The Group’s intangible assets include goodwill at 31 December 2025 with a carrying amount of QAR 877,486 thousand. International Accounting Standard (IAS) 36 ‘Impairment of Assets’ requires goodwill arising in a business combination to be tested for impairment at least annually.</p> <p>The assessment of the value in use (“ViU”) for the Group’s cash generating units (“CGUs”) is a complex process involving subjective estimates. This assessment considers historical trends, future business strategy, and the overall projected growth of the banking industry. In particular, the determination of ViUs is highly sensitive to key assumptions such as terminal growth rates and discount rates.</p> <p>We considered the Group’s goodwill impairment assessment to be a matter of significance due to the significant judgements and assumptions made by the Directors in performing the impairment assessments.</p> <p>Following the Directors’ assessment, no impairment has been recognised for the year ended 31 December 2025.</p> <p>Information on the impairment of goodwill is provided in Notes 5 and 14 to the consolidated financial statements.</p>	<p>Our audit procedures in relation to this key audit matter included the following:</p> <ul style="list-style-type: none"> <li>▪ We obtained an understanding of the business process for the goodwill impairment assessment, identified the relevant internal controls, assessed their design, and tested their operating effectiveness on a sample basis.</li> <li>▪ We assessed the reliability of the Group’s budgets included in the business plans by comparing current period budgets to actual results and evaluating differences noted against underlying documentation and explanations obtained from the Directors. We also agreed the projections used to calculate cash flow forecasts to the latest approved budgets and/or business plans.</li> <li>▪ We engaged our internal valuation experts to support us in assessing the assumptions and methodology used by the Directors for each significant cash generating unit.</li> <li>▪ We tested the mathematical accuracy of the valuation models used by the Directors. We also assessed the appropriateness of the valuation methodology applied by the Directors, with reference to market practice and the requirements of International Accounting Standard (IAS) 36 ‘Impairment of Assets’.</li> <li>▪ We performed sensitivity analyses to determine the impact of changes in individual key assumptions, namely the discount rates and terminal growth rates, whilst holding all other assumptions unchanged, that would result in an impairment. We considered whether such changes were reasonably likely.</li> <li>▪ We also assessed the adequacy of the related disclosures provided in Note 14 to the consolidated financial statements, in particular the sensitivity disclosures in relation to reasonably possible changes in assumptions that could result in impairment.</li> </ul>

**Other information**

The Directors are responsible for the other information. The other information comprises the Board of Directors’ Report (but does not include the consolidated financial statements and our auditor’s report thereon), which we obtained prior to the date of this auditor’s report, and the complete annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 identified above when it becomes available 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, on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

### **Responsibilities of Directors and those charged with governance for the consolidated financial statements**

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with FAS issued by AAOIFI as modified by QCB and with the requirements of the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021, and QCB regulations, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are 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 the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are 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 scepticism 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 the Directors.
- Conclude on the appropriateness of the Directors' 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.

## Consolidated Financial Statements

- 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 purposes of the group audit. We remain solely responsible for our audit opinion

We communicate with those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 those charged with governance, 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

Further, as required by the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021, we report that:

- We have obtained all the information we considered necessary for the purpose of our audit;
- The Bank has maintained proper books of account and the consolidated financial statements are in agreement therewith;
- The financial information included in the Board of Directors' report is in agreement with the books and records of the Bank; and
- Nothing has come to our attention, which causes us to believe that the Bank has breached any of the provisions of the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021, or of its Articles of Association, which would materially affect the reported results of its operations or its financial position as at 31 December 2025.

For and on behalf of PricewaterhouseCoopers – Qatar Branch

Qatar Financial Market Authority registration number 120155

### **Waleed Tahtamouni**

Auditor's registration number 370

Doha, State of Qatar

22 February 2026

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

QAR '000s

As at 31 December

	Notes	2025	2024
<b>ASSETS</b>			
Cash and balances with central banks	8	5,878,930	5,671,858
Due from banks	9	4,816,232	5,164,680
Financing assets	10	118,188,326	110,039,563
Investment securities	11	45,919,939	43,767,223
Investment in associates	12	358,809	348,274
Property and equipment	13	1,059,368	1,011,448
Intangible assets	14	1,337,141	1,450,958
Other assets	15	3,699,302	3,639,773
<b>TOTAL ASSETS</b>		<b>181,258,047</b>	<b>171,093,777</b>
<b>LIABILITIES, QUASI-EQUITY AND EQUITY</b>			
<b>LIABILITIES</b>			
Due to banks	16	28,382,617	23,756,860
Customer current accounts	17	7,839,029	7,030,727
Sukuk and debt financing	18	3,322,629	3,293,405
Other borrowings	19	7,766,032	6,378,259
Other liabilities	20	4,848,682	4,724,048
<b>TOTAL LIABILITIES</b>		<b>52,158,989</b>	<b>45,183,299</b>
<b>QUASI-EQUITY</b>			
Participatory investment accounts	21	103,299,319	100,579,622
<b>EQUITY</b>			
Share capital	22 (a)	9,300,000	9,300,000
Legal reserve	22 (b)	9,644,166	9,644,166
Risk reserve	22 (c)	2,700,401	2,700,401
Fair value reserve	22 (d)	42,399	51,278
Cash flow hedge reserve		(239)	-
Foreign currency translation reserve	22 (e)	(56,088)	(141,049)
Other reserves	22 (f)	141,104	135,929
Retained earnings		2,735,216	2,387,770
<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK</b>		<b>24,506,959</b>	<b>24,078,495</b>
Non-controlling interest	23	292,780	252,361
Instrument eligible as additional capital	24	1,000,000	1,000,000
<b>TOTAL EQUITY</b>		<b>25,799,739</b>	<b>25,330,856</b>
<b>TOTAL LIABILITIES, QUASI-EQUITY AND EQUITY</b>		<b>181,258,047</b>	<b>171,093,777</b>
Off-balance sheet assets under management		3,943,112	5,128,783
Contingent liabilities and commitments	33	28,405,343	30,806,784

These consolidated financial statements were approved by the Board of Directors on 19 February 2026 and were signed on its behalf by:



**Mohamed Bin Hamad Bin Qassim Al Thani**  
Chairman



**Fahad Bin Abdulla Al Khalifa**  
Group Chief Executive Officer

## CONSOLIDATED STATEMENT OF INCOME

QAR '000s

For the year ended 31 December

	Notes	2025	2024
Income from financing activities	25	6,114,826	7,256,620
Income from investing activities	26	2,211,235	2,014,066
Finance expense		(1,468,023)	(1,421,121)
<b>Income from financing and investing activities, net of finance expense</b>		<b>6,858,038</b>	7,849,565
Fee and commission income		586,300	425,328
Fee and commission expense		(158,299)	(126,497)
<b>Net fee and commission income</b>	27	<b>428,001</b>	298,831
Foreign exchange gain (net)	28	157,892	189,612
Share of results of associates	12	35,786	62,234
Loss on sale of an associate		-	(10,515)
Other income	29	366,550	91,281
<b>TOTAL INCOME, NET OF FINANCE EXPENSE</b>		<b>7,846,267</b>	8,481,008
Staff costs	30	(453,723)	(434,234)
Depreciation and amortisation	13, 14	(173,619)	(173,632)
Other expenses	31	(323,332)	(312,264)
<b>OPERATING EXPENSES</b>		<b>(950,674)</b>	(920,130)
Net impairment reversals / (losses) on due from banks		4,555	(5,947)
Net impairment losses on financing assets		(817,879)	(1,043,389)
Net impairment reversals on investments securities		8,628	8,617
Net impairment losses on other exposures subject to credit risk		(13,111)	(413)
<b>PROFIT FOR THE YEAR BEFORE NET PROFIT ATTRIBUTABLE TO QUASI-EQUITY</b>		<b>6,077,786</b>	6,519,746
Less: Net profit attributable to quasi-equity		(4,495,769)	(4,959,505)
<b>PROFIT BEFORE TAX FOR THE YEAR</b>		<b>1,582,017</b>	1,560,241
Income tax expense	32	(231,405)	(33,456)
<b>NET PROFIT FOR THE YEAR</b>		<b>1,350,612</b>	1,526,785
<b>Net profit for the year attributable to:</b>			
Equity holders of the Bank		1,328,595	1,507,071
Non-controlling interest		22,017	19,714
		<b>1,350,612</b>	1,526,785
<b>BASIC AND DILUTED EARNINGS PER SHARE (QAR)</b>	36	<b>0.138</b>	0.157

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

QAR '000s

For the year ended 31 December

	Notes	2025	2024
<b>NET PROFIT FOR THE YEAR</b>		<b>1,350,612</b>	1,526,785
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that may not be subsequently classified to consolidated statement of income</b>			
Fair value changes of equity-type investments carried at fair value through other comprehensive income		<b>(11,903)</b>	6,391
<b>Items that may be subsequently classified to consolidated statement of income</b>			
Exchange difference arising on translation of foreign operations		<b>103,443</b>	(34,770)
Net change in the share of other comprehensive income of investment in associates:			
Net change in fair value		<b>573</b>	2,463
Net movement in cash flow hedges – effective portion of changes in fair value		<b>(319)</b>	-
Fair value changes of debt-type investments carried at fair value through other comprehensive income		<b>2,142</b>	(305)
Share in the reserve attributable to quasi-equity	22(d)	<b>335</b>	(207)
<b>Total other comprehensive income / (loss) for the year</b>		<b>94,271</b>	(26,428)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>1,444,883</b>	1,500,357
<b>Attributable to:</b>			
Equity holders of the Bank		<b>1,404,464</b>	1,485,271
Non-controlling interest		<b>40,419</b>	15,086
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>1,444,883</b>	1,500,357

## CONSOLIDATED STATEMENT OF INCOME AND ATTRIBUTION RELATED TO QUASI-EQUITY

QAR '000s

For the year ended 31 December

	<i>Notes</i>	<b>2025</b>	2024
Net profit for the year before net profit attributable to quasi-equity after tax		<b>5,846,381</b>	6,486,290
Less: Income not attributable to quasi-equity		<b>(2,383,546)</b>	(2,557,200)
Add: Expenses not attributable to quasi-equity		<b>915,411</b>	920,693
Net profit attributable to quasi-equity before the Bank's Mudaraba income		<b>4,378,246</b>	4,849,783
Less: Mudarib's share		<b>(4,158,564)</b>	(4,606,148)
Add: Support provided by the Bank		<b>4,276,087</b>	4,715,870
<b>NET PROFIT ATTRIBUTABLE TO QUASI-EQUITY</b>		<b>4,495,769</b>	4,959,505
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that may be subsequently classified to consolidated statement of income</b>			
Share in the reserve attributable to quasi-equity	22(d)	<b>(335)</b>	207
<b>TOTAL OTHER COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR</b>		<b>(335)</b>	207
<b>TOTAL PROFIT ATTRIBUTABLE TO QUASI-EQUITY</b>		<b>4,495,434</b>	4,959,712

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

QAR '000s

For the year ended 31 December

	Share capital	Legal reserve	Risk reserve	Fair value reserve	Cash flow hedge reserve	Foreign currency translation reserve	Other reserves	Retained earnings	Total equity attributable to equity holders of the Bank	Non-controlling interest	Instrument eligible as additional capital	Total equity
Balance as at 31 December 2024	9,300,000	9,644,166	2,700,401	51,278	-	(141,049)	135,929	2,387,770	24,078,495	252,361	1,000,000	25,330,856
Net profit for the year	-	-	-	-	-	-	-	1,328,595	1,328,595	22,017	-	1,350,612
Other comprehensive (loss) / income	-	-	-	(8,879)	(239)	84,961	26	-	75,869	18,402	-	94,271
Total comprehensive (loss) / income for the year	-	-	-	(8,879)	(239)	84,961	26	1,328,595	1,404,464	40,419	-	1,444,883
Transfer to risk reserve	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from other reserves	-	-	-	-	-	-	5,149	(5,149)	-	-	-	-
Dividend declared and approved for 2024	-	-	-	-	-	-	-	(930,000)	(930,000)	-	-	(930,000)
Distribution for Tier 1 Capital notes	-	-	-	-	-	-	-	(46,000)	(46,000)	-	-	(46,000)
Balance as at 31 December 2025	9,300,000	9,644,166	2,700,401	42,399	(239)	(56,088)	141,104	2,735,216	24,506,959	292,780	1,000,000	25,799,739

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

QAR '000s

For the year ended 31 December

	Share capital	Legal reserve	Risk reserve	Fair value reserve	Foreign currency translation reserve	Other reserves	Retained earnings	Total equity attributable to equity holders of the Bank	Non-controlling interest	Instrument eligible as additional capital	Total equity
Balance as at 31 December 2023	9,300,000	9,644,166	2,661,613	4,1439	(110,907)	152,632	1,880,281	23,569,224	237,275	1,000,000	24,806,499
Net profit for the year	-	-	-	-	-	-	1,507,071	1,507,071	19,714	-	1,526,785
Other comprehensive income / (loss)	-	-	-	8,344	(30,142)	(2)	-	(21,800)	(4,628)	-	(25,428)
Total comprehensive income / (loss) for the year	-	-	-	8,344	(30,142)	(2)	1,507,071	1,485,271	15,086	-	1,500,357
Transfer to retained earnings upon disposal of FVOCI equity investments	-	-	-	1,495	-	-	(1,495)	-	-	-	-
Transfer to risk reserve	-	-	38,788	-	-	-	(38,788)	-	-	-	-
Transfer from other reserves	-	-	-	-	-	(16,701)	16,701	-	-	-	-
Dividend declared and approved for 2023	-	-	-	-	-	-	(930,000)	(930,000)	-	-	(930,000)
Distribution for Tier 1 Capital notes	-	-	-	-	-	-	(46,000)	(46,000)	-	-	(46,000)
Balance as at 31 December 2024	9,300,000	9,644,166	2,700,401	51,278	(141,049)	135,929	2,387,770	24,078,495	252,361	1,000,000	25,330,856

# CONSOLIDATED STATEMENT OF CASH FLOWS

QAR '000s

For the year ended 31 December

	Notes	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax for the year		1,582,017	1,560,241
Adjustments for:			
Net impairment losses on financing assets		817,879	1,043,389
Net impairment reversals on investments securities		(8,628)	(8,617)
Net impairment (reversals) / losses on due from banks		(4,555)	5,947
Net impairment losses on other exposures subject to credit risk		13,111	413
Fair value gain on investment securities carried as fair value through income statement	26	(2,326)	(1,732)
Net unrealized (gain) / loss on revaluation of Shari'a compliant risk management instruments		(315,283)	240,505
Depreciation and amortisation	13, 14	173,619	173,632
Amortisation of transaction costs on sukuk and debt financing and other borrowings		10,940	13,076
Net (gain) / loss on sale of debt-type investments	26	(461)	3,156
Dividend income	26	(10,649)	(16,158)
Share of results of associates	12	(35,786)	(62,234)
Loss on sale of an associate		-	10,515
Loss on disposal of property and equipment and reassessment of right-of-use assets		8,154	3,405
Net discount amortisation on investment securities		(137,469)	(188,150)
Employees' end of service benefit provisions	20(b)	15,472	51,050
Profit before changes in operating assets and liabilities		2,106,035	2,828,438
Change in reserve account with Qatar Central Bank		(121,352)	(970,864)
Change in due from banks		(500,629)	(285,119)
Change in financing assets		(8,987,753)	(2,912,503)
Change in other assets		(136,173)	113,947
Change in accrued profit from investment securities		(35,675)	(31,691)
Change in due to banks		4,995,034	(8,447,164)
Change in customer current accounts		808,302	(893,656)
Change in other liabilities		283,456	41,316
Change in profit payable on sukuk and debt financing and other borrowings		236,925	(40,633)
		(1,351,830)	(10,597,929)
Dividend received		10,649	16,158
Employees' end of service benefits paid	20(b)	(5,269)	(5,232)
Social and sports fund contribution		(37,677)	(36,293)
Tax paid		(24,256)	(24,238)
<b>Net cash used in operating activities</b>		<b>(1,408,383)</b>	<b>(10,647,534)</b>

...continued

## CONSOLIDATED STATEMENT OF CASH FLOWS (continued) QAR '000s

For the year ended 31 December

	Notes	2025	2024
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of investment securities		(15,935,588)	(22,943,396)
Proceeds from sale / redemption of investment securities		13,336,124	18,875,685
Proceeds from sale of an associate		-	32,000
Acquisition of property and equipment		(95,079)	(125,951)
Dividend received from associates	12	26,100	22,150
<b>Net cash used in investing activities</b>		<b>(2,668,443)</b>	<b>(4,139,512)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Change in participatory investment accounts		2,720,032	15,779,975
Proceeds from sukuk and debt financing and other borrowings, net of transaction cost		7,362,842	4,180,112
Repayment of sukuk and debt financing and other borrowings		(6,419,558)	(4,299,700)
Profit paid on instrument eligible as additional capital		(46,000)	(46,000)
Repayment of Ijarah liabilities		(8,406)	(10,965)
Dividends paid		(988,483)	(1,028,914)
<b>Net cash generated from financing activities</b>		<b>2,620,427</b>	<b>14,574,508</b>
Net decrease in cash and cash equivalents		(1,456,399)	(212,538)
Cash and cash equivalents as at 1 January		5,781,493	6,028,295
Effects of exchange rate fluctuation		(104,693)	(34,264)
<b>Cash and cash equivalents as at 31 December</b>	37	<b>4,220,401</b>	<b>5,781,493</b>

## CONSOLIDATED STATEMENT OF CHANGES IN OFF-BALANCE SHEET ASSETS UNDER MANAGEMENT

For the year ended 31 December

QAR '000s

	1 January 2025	Movements during the year				31 December 2025
		Additions	Withdrawals	Revaluations / Gross income	Net dividends paid	
2025						
Money market placements	544,172	3,478,999	(3,447,878)	35,840	-	(4,740)
Investments in sukuk, shares, mutual funds and other securities	4,584,611	335,585	(1,673,422)	188,926	(98,981)	-
	5,128,783	3,814,584	(5,121,300)	224,766	(98,981)	(4,740)

	1 January 2024	Movements during the year				31 December 2024
		Additions	Withdrawals	Revaluations / Gross income	Net dividends paid	
2024						
Money market placements	332,756	2,119,306	(1,937,342)	33,683	-	(4,231)
Investments in sukuk, shares, mutual funds and other securities	4,913,781	393,325	(766,281)	154,840	(111,054)	-
	5,246,537	2,512,631	(2,703,623)	188,523	(111,054)	(4,231)
						5,128,783

## 1. REPORTING ENTITY

AlRayan Bank (Q.P.S.C.) (formerly known as Masraf Al Rayan (Q.P.S.C.)) ("the Bank") is an entity domiciled in the State of Qatar and was incorporated on 4 January 2006 as a Qatari Public Shareholding Company under Qatar Commercial Companies' Law No. 5 of 2002, as amended by Qatar Commercial Companies' Law Number 11 of 2015 and Law Number 8 of 2021 (the "Commercial Companies Law"), under decision Number 11 of 2006. The commercial registration number of the Bank is 32010. The address of the Bank's registered office is at P.O. Box 28888, Lusail Marina, Qatar. The consolidated financial statements of the Bank for the year ended 31 December 2025 comprise the Bank and its subsidiaries (together referred to as "the Group" and individually as "Group entities"). The Group is primarily involved in Islamic banking, financing and investing activities, and has 13 branches in Qatar. The Parent Company / Ultimate Controlling Party of the Group is AlRayan Bank (Q.P.S.C.).

On 7 January 2021, the Bank and Al Khalij Commercial Bank (al khaliji) P.Q.S.C. ("Al Khaliji") have entered into a merger agreement as approved by the Board of Directors of both banks, which was subsequently approved by the shareholders of both banks at their respective Extra-Ordinary General Assemblies held on 5 October 2021 and 6 October 2021. On 2 November 2021, Qatar Central Bank ("QCB") approved the Bank's merger by way of absorption pursuant to Article 278 of the Commercial Companies Law and Article 161(2) of Law Number 13 of 2012 issuing the Qatar Central Bank Law and Regulation of Financial Institutions (the "QCB Law") and the merger agreement (the "Merger"). On 30 November 2021, the effective date of the merger, Al Khaliji was dissolved and the Bank which became the remaining legal entity, continued to conduct all operations in accordance with Shari'a principles and absorbed the assets and liabilities of Al Khaliji.

During 2024, the Bank completed a comprehensive rebranding strategy aimed at enhancing brand recognition and aligning its identity with the evolving market and customer needs. This rebranding initiative included a new brand identity, "AlRayan Bank", and an updated logo that embody the continuous evolution of the Bank and its renewed strategic focus as a contemporary Islamic bank. In 2025, the legal name of the Bank was changed from Masraf Al Rayan (Q.P.S.C.) to AlRayan Bank (Q.P.S.C.).

The principal subsidiaries of the Group are as follows:

Entity's name	Country of incorporation	Entity's capital	Entity's activities	Effective percentage of ownership	
				2025	2024
Al Rayan Investment L.L.C.	Qatar	USD 100,000,000	Investment banking	100.00%	100.00%
Al Rayan (UK) Ltd <sup>1</sup>	UK	GBP 100,000,000	Investment activities	-	-
Al Rayan Bank plc <sup>1</sup>	UK	GBP 121,218,700	Islamic banking	73.76%	73.76%
Al Rayan Partners L.L.C. <sup>6</sup>	Qatar	QAR 10,000,000	Real estate consulting	100.00%	100.00%
Lusail Waterfront Investment Co.	Cayman Islands	USD 100	Investment activities	100.00%	100.00%
MAR Sukuk Limited <sup>2</sup>	Cayman Islands	USD 250	Sukuk issuance	100.00%	100.00%
Al Khaliji France S.A. <sup>3&amp;5</sup>	France	EUR 104,000,000	Conventional banking	100.00%	100.00%
AKCB Finance Limited <sup>3&amp;7</sup>	Cayman Islands	USD 1	Debt Issuance	-	100.00%
AKCB Markets Limited <sup>3</sup>	Cayman Islands	USD 1	Over-the-Counter Shari'a-compliant risk management instruments	100.00%	100.00%
Lusail Limited	Cayman Islands	USD 1	Financing and investing activities	100.00%	100.00%
MAR Finance L.L.C. <sup>4</sup>	Qatar	QAR 1,000	Sukuk issuance	100.00%	100.00%

<sup>1</sup> During 2024, the Board of Directors of Al Rayan (UK) Ltd (the "Company") decided to dissolve the Company. Prior to its dissolution, the Company owned 98.34% of its subsidiary, Al Rayan Bank plc. Effectively, the Bank owned 73.76% of Al Rayan Bank plc. Following the Company's dissolution, its equity interest in Al

Rayan Bank plc was transferred directly to its ultimate shareholders. As a result, the Bank now holds a direct ownership stake of 73.76% in Al Rayan Bank plc.

- <sup>2</sup> MAR Sukuk Limited was incorporated in the Cayman Islands as an exempt company with limited liability for the purpose of sukuk issuance and other activities, for the benefit of the Bank.
- <sup>3</sup> Subsidiaries of Al Khaliji that became subsidiaries of the Group upon completion of the merger between the Bank and Al Khaliji on 30 November 2021.
- <sup>4</sup> MAR Finance L.L.C. was incorporated in Qatar Financial Centre as a limited liability for the purpose of sukuk issuance and other activities, for the benefit of the Bank.
- <sup>5</sup> In relation to the merger, Al Khaliji France S.A. continues to operate in its present status as a conventional bank. As of reporting date, there are no plans in place to convert the portfolio of the subsidiary into Shari'a-compliant products. Accordingly, the net profit earned by the subsidiary is not included in the consolidated statement of income, and the subsidiary's assets and liabilities are presented under other assets and other liabilities in the consolidated statement of financial position.
- <sup>6</sup> In a meeting held on 26 October 2023, the Board of Directors of Al Rayan Partners L.L.C. decided to liquidate the entity. The liquidation which was approved by the QCB in 2024 is currently in progress as of the reporting date and is being carried out in accordance with the applicable legal and regulatory requirements in Qatar.
- <sup>7</sup> AKCB Finance Limited was dissolved effective 10 July 2025, pursuant to the certificate of dissolution obtained by the Company.

The Group does not have any subsidiaries with material non-controlling interests.

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 the resources to continue in 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.

The consolidated financial statements of the Group for the year ended 31 December 2025 were authorised for issuance in accordance with a resolution by the Board of Directors on 19 February 2026.

#### **(a) Shari'a governance framework**

The Group follows Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI") Governance Standards (GSs) in their entirety along with the regulators' requirements related to Shari'a governance / Shari'a governance framework. In line with the requirements of the same, the Group has a comprehensive governance mechanism comprising of Shari'a supervisory board and internal Shari'a audit. These functions perform their responsibilities in line with AAOIFI GSs as well as the regulators' requirements related to Shari'a governance.

The GSs also require the Board of Directors and those charged with governance to discharge their duties in line with Shari'ah governance and fiduciary responsibilities.

#### **(b) Shari'a principles and rules**

The Group follows the hierarchy of Shari'a principles and rules as defined in paragraph 165 of FAS 1 "General Presentation and Disclosures in the Financial Statements".

## 2. BASIS OF PREPARATION

### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Financial Accounting Standards ("FASs") issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI") as modified by QCB. In line with the requirements of AAOIFI, for matters that are not covered by FAS, the Group uses the guidance from the relevant IFRS accounting standards as issued by the International Accounting Standards Board ("IASB").

The Bank has adopted QCB Circular 13/2020 dated 29 April 2020 (execution date), which modifies the requirements of FAS 33 "Investments in Sukuk, shares and similar instruments" and FAS 30 "Impairment, credit losses and onerous commitments" and requires Islamic Banks to follow principles of IFRS 9 "Financial Instruments" in respect of equity-type investments carried at Fair Value Through Other Comprehensive Income ("FVOCI") and repurchase agreements. The Bank has adopted the circular from the effective date and the changes to the accounting policies have been adopted prospectively by the Bank.

### (b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except for the measurement at fair value of financial investments classified as "investments at fair value through other comprehensive income", "investments at fair value through income statement" and "Shari'a-compliant risk management instruments".

### (c) 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.

### (d) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with FASs requires the directors and 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.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described in Note 5.

### (e) Presentation of consolidated financial statements

The Group presents its consolidated statement of financial position in order of liquidity based on the Group's intention and perceived ability to recover/settle the majority of assets/liabilities of the corresponding financial statement line item. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 4.4.2 and Note 35.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented, unless otherwise stated, in these consolidated financial statements and have been applied consistently by Group entities.

**(a) New standards, amendments and interpretations**

**(i) New standards, amendments and interpretations effective from 1 January 2025**

*FAS 42 – Presentation and disclosures in the Financial Statements of Takaful Institutions*

AAOIFI has issued FAS 42 in 2022. This standard supersedes the earlier FAS 12 – General Presentation and Disclosures in the Financial Statements of Islamic Insurance Companies“. The objective of this standard is to set out the overall requirements for the presentation of financial statements, the minimum requirement for the contents of and disclosures in the financial statements and recommended structure of financial statements that facilitates fair presentation in line with Shari’a principles and rules for Takaful institutions. This standard shall be effective for the financial periods beginning on or after 1 January 2025 with early adoption permitted if adopted alongside FAS 43 – Accounting for Takaful: Recognition and Measurement, provided that FAS 1 (Revised 2021) has already been adopted or is simultaneously adopted.

The adoption of this standard did not have significant impact on the Group’s presentation and disclosures in the consolidated financial statements.

*FAS 43 – Accounting for Takaful: Recognition and Measurement*

AAOIFI has issued FAS 43 in 2022. The objective of this standard is to set out the principles for the recognition and measurement of Takaful arrangements and ancillary transactions with the objective of faithfully representing the information related to these arrangements to the relevant stakeholders. The standard should be read in conjunction with *FAS 42 – Presentation and disclosures in the Financial Statements of Takaful Institutions*. This standard shall be effective for the financial periods beginning on or after 1 January 2025 with early adoption permitted if adopted alongside *FAS 42 – Presentation and disclosures in the Financial Statements of Takaful Institutions*.

The adoption of this standard did not have significant impact on the Group’s recognition and measurement.

**(ii) New standards, amendments and interpretations issued but not yet effective**

The Group has not yet applied the following new and revised FASs that have been issued but are not yet effective. These standards are currently in process of being assessed by the management of the Group to consider any implication in the current or future reporting periods and on foreseeable future transactions.

*FAS 45 – Quasi-Equity (Including Investment Accounts)*

AAOIFI has issued FAS 45 in 2023. This standard prescribes the principles of financial reporting related to the participatory investment instruments (including investment accounts) in which an Islamic financial institution controls the underlying assets (mostly, as a working partner), on behalf of the stakeholders other than the owners’ equity. Such instruments (including, in particular, the unrestricted investment accounts) normally qualify for on-balance-sheet accounting and are reported as quasi-equity. This standard also 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. It further addresses financial reporting related to other quasi-equity instruments and certain specific issues. This standard shall be effective for the financial reporting periods beginning on or after 1 January 2026.

The Group shall address the requirements of *FAS 45 – Quasi-Equity (Including Investment Accounts)* on the effectivity date of the standard.

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

**(a) New standards, amendments and interpretations (continued)**

**(ii) New standards, amendments and interpretations issued but not yet effective (continued)**

*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)*.

The Group shall address the requirements of *FAS 46 – Off-Balance-Sheet Assets Under Management* in the Group’s “Statement of Changes in Off-balance Sheet Assets under Management” on the effectivity date of the standard.

*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’a 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”*.

*FAS 48 – Promotional Gifts and Prizes*

AAOIFI has issued FAS 48 on 9 December 2024. This standard prescribes the accounting and financial reporting requirements applicable to promotional gifts and prizes awarded by the Islamic financial institutions to their customers, including quasi-equity and other investment account holders. This standard shall be effective for the financial periods beginning or after 1 January 2026.

*FAS 49 – Financial Reporting for Institutions Operating in Hyperinflationary Economies*

AAOIFI has issued FAS 49 on 19 December 2024. This standard outlines the principles governing financial reporting for the institutions applying AAOIFI FASs operating in hyperinflationary economies, duly considering the relevant Shari’a principles and rules and their unique business models. This standard shall be effective for the financial periods beginning or after 1 January 2026 with early adoption encouraged.

*FAS 50 – Financial Reporting for Islamic Investment Institutions (Including Investment Funds)*

AAOIFI has issued FAS 50 on 24 December 2024. This standard supersedes the earlier FAS 14 “Investment Funds.” This standard sets out the principles of financial reporting for Islamic Investment Institutions (“IIIs”) particularly prescribing overall requirements for the presentation, minimum contents and recommended structure of their financial statements in a manner that facilitates truthful and fair presentation in line with Shari’a principles and rules. This standard shall be effective on the annual financial statements of an III or after 1 January 2027.

### *FAS 51 – Participatory Ventures*

AAOIFI has issued FAS 51 on 10 November 2025. This standard prescribes accounting and financial reporting principles for recognition, measurement, presentation and disclosures to apply in relation to participatory ventures (including most of the common structures / products based on Mudaraba and Musharaka). This standard shall be applied in respect of accounting and financial reporting by the investors, the working partners, as well as, the participatory ventures with regard to all such participatory ventures that fall within the scope of this standard, including those with fixed and variable equity / quasi-equity shares. This standard shall be effective for the financial periods beginning or after 1 January 2027.

### *FAS 52 – Deferred Delivery Sales: Salam and Istisna*

AAOIFI has issued FAS 52 on 31 December 2025. This standard prescribes the accounting and financial reporting principles for recognition, measurement, presentation and disclosures related to deferred delivery sales transactions, applicable to the respective buyers and sellers. Such transactions include both, Salam- and Istisna-based deferred delivery sales transactions, but do not include Istisna-based development contracts which are subject of another standard being simultaneously issued. This standard shall be effective for the financial periods beginning or after 1 January 2027.

## **(b) Basis of consolidation**

### *(i) Subsidiaries*

The consolidated financial statements incorporate the financial statements of the Bank and entities controlled by the Bank (its subsidiaries) up to 31 December each year.

### *Control of business*

The Bank controls a business if, and only if, the Bank has all the following:

- Power over the business;
- Exposure, or rights, to variable returns from the Group's involvement with the business; and
- The ability to use its power over the business to affect the amount of the Bank's returns.

There is a rebuttable presumption that the Bank has the ability to exercise power over (and govern) a business when the Bank:

- Directly, or indirectly through its subsidiaries, holds more than 50% of the voting rights (when either the relevant activities are directed by a vote of the holder of the majority of the voting rights, or a majority of the members of the governing body that directs the relevant activities are appointed by a vote of the holder of the majority of the voting rights); or
- Has the rights to direct the activities of the business.

The Group reassesses whether or not it controls a business if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Group has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in a business are sufficient to give it power, including:

- Agreement with the business's other shareholders or the business itself;
- Rights arising from other contractual arrangements;

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (b) Basis of consolidation (continued)

##### (i) Subsidiaries (continued)

- The Bank's voting rights (de facto power). The Bank may have de facto power (resulting in de facto control, if variable returns condition is also met) over a business that gives the Bank the practical ability to direct the financial and operating policies of such business unilaterally including situations when the Bank holds significantly dominant voting rights, such as when there is widely dispersed shareholding patterns, significant dormant shareholding patterns or significant voting rights under management (through off-balance sheet assets under management);
- Potential voting rights held by the Group, other vote holders or other parties; or
- A combination thereof.

Any component of a business funded by the off-balance sheet under management (including restricted investment accounts) are classified as non-controlling interests.

##### *Consolidation*

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss are attributed to the equity holders of the Parent of the Group and to the non-controlling interests. Profit or loss of the subsidiaries are attributed to the equity holders of the Parent of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the equity holders of the Parent of the Group.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting when applicable, or the cost on initial recognition of an investment in an associate or a joint arrangement.

For subsidiaries not in compliance with Shari'a principles, their net profit is excluded from the consolidated statement of income, and their assets and liabilities are separately disclosed under "Other Assets" and "Other Liabilities" in the consolidated statement of financial position.

(i) *Business combinations*

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree;
- Assets (or disposal groups) that are classified as held for sale.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in consolidated statement of income as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in consolidated statement of income.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in consolidated statement of income.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (b) Basis of consolidation (continued)

##### (ii) Business combinations (continued)

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

For acquisitions not meeting the definition of a business, the Group allocates the cost between the individual identifiable assets and liabilities. The cost of acquired assets and liabilities is determined by: (a) accounting for financial assets and liabilities at their fair value at the acquisition date; and (b) allocating the remaining balance of the cost of purchasing the assets and liabilities to the individual assets and liabilities, other than financial instruments, based on their relative fair values at the acquisition date.

##### (iii) Goodwill

Goodwill is initially recognised and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. The Group applies the following relevant requirements of “IAS 36 – Impairment of Assets” in assessing impairment of goodwill.

For the purpose of impairment testing, goodwill is allocated to each of the Group’s cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

##### (iv) Non-controlling interest

Interests in the equity of subsidiaries not attributable to the parent are reported in consolidated statement of financial position in owners’ equity. Profits or losses attributable to non-controlling interests are reported in the consolidated statement of income as income 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.

##### Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity holders of the Group. For purchases from non-controlling interest, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interest are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in consolidated statement of income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint arrangement or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to consolidated statement of income.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to consolidated

statement of income where appropriate.

(v) *Associates (equity-accounted investees)*

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not control or joint control over those policies.

The results of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, an investment in an associate is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses in an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with FAS 30. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate is disposed of.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Intergroup gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Intragroup losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. For preparation of these consolidated financial statements, equal accounting policies for similar transactions and other events in similar circumstances are used. Dilution gains and losses in associates are recognised in the consolidated statement of income.

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (b) Basis of consolidation (continued)

##### (iv) Associates (equity-accounted investees) (continued)

The Group's share of the results of associates is based on financial statements available up to a date not earlier than three months before the date of the consolidated statement of financial position, adjusted to conform to the accounting policies of the Group.

The accounting policies of associates have been changed where necessary to ensure consistency with policies adopted by the Group.

##### (v) Fund management

The Group manages and administers assets held on behalf of investors. These assets and income arising thereon are excluded from the consolidated statement of financial position and consolidated statement of income, as they are not assets nor income of the Group.

#### (c) Foreign currency

##### (i) Foreign currency transactions and balances

Foreign currency transactions denominated, or that require settlement in a foreign currency are translated into the respective functional currencies of the operations at the spot exchange rates at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences resulting from the settlement of foreign currency transactions and arising on translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of income.

##### (ii) Foreign operations

The results and financial position of all the Group's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
- 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 dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising from the above process are reported in equity as 'foreign currency translation reserve'.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is disposed of, or partially disposed of, such exchange differences are recognised in the consolidated statement of income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the spot closing rate.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of the net investment in the foreign operation and are recognised in other comprehensive income, and presented in the foreign exchange translation reserve in equity.

**(d) Investment securities**

*(i) Categorization and classification*

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

The Group categorizes each investment as:

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

Debt-type instruments are a type of investment instruments, whereby the transaction structure results in creation of a monetary or non-monetary liability. Equity-type instruments are the instruments that evidence a residual interest in the assets of an entity after deducting all its liabilities and quasi-equity balances, including ordinary equity instruments and such other structured investment instruments that classify as equity instrument. Other investment instruments are such investment instruments which do not meet the definition of either debt-type or equity-type instruments.

Unless irrevocable initial recognition choices provided in the standard are exercised, an institution shall classify investments as subsequently measured at either of (i) amortised cost, (ii) fair value through other comprehensive income or (iii) fair value through income statement, on the basis of both:

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

***Classification***

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

Investments in debt-type instruments are classified into the following categories: 1) at amortised cost; 2) at fair value through other comprehensive income or 3) at fair value through income statement.

***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.

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (d) Investment securities (continued)

##### (i) Categorization and classification (continued)

###### *Fair value through other comprehensive income ("FVOCI")*

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

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

###### *Fair value through income statement ("FVIS")*

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

###### *Irrevocable classification at initial recognition*

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

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

##### (ii) Recognition and de-recognition

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

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

##### (iii) Measurement

###### *Initial recognition*

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

###### *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 statement of income 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 statement of income.

###### *Fair value through other comprehensive income ("FVOCI")*

###### *Policy applicable up to the issuance of QCB circular 13/2020*

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. When the investments classified as FVOCI are sold, impaired, collected or otherwise disposed of, the cumulative gain or loss previously recognised in the consolidated statement of changes in equity is transferred to the consolidated statement of income.

*Policy applicable after the issuance of QCB circular 13/2020*

The Group has adopted QCB Circular 13/2020 dated 29 April 2020 (effective date), which modifies the requirements of FAS 33 "Investments in Sukuk, shares and similar instruments" and FAS 30 "Impairment, credit losses and onerous commitments" and requires Islamic Banks to follow principles of IFRS 9 "Financial Instruments" in respect of equity-type investments carried at FVOCI.

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 instrument-by-instrument basis on initial recognition and is irrevocable. Gains and losses on such equity-type instruments are never subsequently reclassified to consolidated statement of income, 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 statement of income, unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in consolidated statement of changes in equity.

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

*(i) 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.

**(e) Financing assets**

Financing assets comprise Shari'a compliant financing provided by the Group with fixed or determinable payments. These include financing provided through Murabaha, Mudaraba, Musharaka, Musawama, Ijarah Muntahia Bittamleek, Istisna'a, Wakala and other modes of Islamic financing. Financing assets are stated at their amortised cost less impairment allowances (if any).

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (e) Financing assets (continued)

##### *Murabaha and Musawama*

Murabaha and Musawama receivables are sales on deferred terms. The Group arranges a Murabaha and Musawama transaction by buying a commodity (which represents the object of the Murabaha) and selling it to the Murabeh (a beneficiary) at a margin of profit over cost. The sales price (cost plus the profit margin) is repaid in installments by the Murabeh over the agreed period. Murabaha and Musawama receivables are stated net of deferred profits and impairment allowance (if any).

Based on QCB instructions, the Group applies the rule of binding the purchase orderer to its promise in the Murabaha sale and does not enter into any Murabaha transaction in which the purchase orderer does not undertake to accept the goods if they meet the specifications.

##### *Mudaraba*

Mudaraba financing are partnerships in which the Group contributes the capital. These contracts are stated at fair value of consideration given less impairment allowance (if any).

##### *Musharaka*

Musharaka financing are partnerships in which the Group contributes the capital and work. These contracts are stated at fair value of consideration given less impairment allowance (if any).

##### *Ijarah Muntahia Bittamleek*

Ijarah Muntahia Bittamleek 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 receivables are carried at the aggregate of the minimum lease payments, less deferred income (in total forming amortised cost) and impairment allowance (if any).

##### *Istisna'a*

Istisna'a is a sales contract in which the Group acts as 'al-sani' (a seller) with an 'al-mustasni' (a purchaser) and undertakes to manufacture or otherwise acquire a product based on the specification received from the purchaser, for an agreed upon price.

Istisna'a revenue is the total price agreed between the seller and purchaser including the Group's profit margin. The Group recognises Istisna'a revenue and profit margin based on percentage of completion method by taking in account the difference between total revenue (cash price to purchaser) and Group's estimated cost. The Group recognises anticipated losses on Istisna'a contract as soon as they are anticipated.

##### *Wakala*

Wakala contracts represent agency agreements between two parties. One party, the provider of funds (Muwakkil) appoints the other party as an agent (Wakeel) with respect to the investment of the Muwakkil funds in a Shari'a compliant transaction. The Wakeel uses the funds based on the nature of the contract and offer an anticipated return to the Muwakkil. Wakala contracts are stated at amortised cost.

#### (f) Other financial assets and liabilities

##### (i) Recognition and initial measurement

The Group initially recognises due from banks, financing assets, customer current accounts, due to banks, and financing liabilities on the date at which they are originated. All other financial assets and liabilities are initially recognised on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through income statement) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVIS are recognised immediately in consolidated statement of income. Immediately after initial recognition, an expected credit loss (ECL) allowance is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognised in consolidated statement of income when an asset is newly originated.

*(ii) De-recognition of financial assets and financial liabilities*

The Group de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset.

Any interest in transferred financial assets that qualify for de-recognition that is created or retained by the Group is recognised as a separate asset or liability in the consolidated statement of financial position. On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognised in consolidated statement of income.

The Group enters into transactions whereby it transfers assets recognised on its consolidated statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised.

In transactions in which the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions the Group retains the obligation to service the transferred financial asset for a fee. The transferred asset is de-recognised if it meets the de-recognition criteria. An asset or liability is recognised for the servicing contract, depending on whether the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

The Group de-recognises a financial liability when its contractual obligations are discharged or cancelled or expire.

*(iii) Offsetting*

Financial assets and liabilities are offset only when there is a legal or religious enforceable right to set off the recognised amounts and the Group intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

**(g) Impairment of financial assets (other than equity-type investments classified as FVOCI)**

The Group records an allowance for ECL for all financing assets and other debt financial assets not held at FVIS, together with financing asset commitments and financial guarantee contracts. The allowance is based on the ECL associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination. If the financial asset meets the definition of purchased or originated credit impaired (POCI), the allowance is based on the change in the ECLs over the life of the asset.

The Group applies a three-stage approach to measure expected credit losses (ECL) on financial assets. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (g) Impairment of financial assets (other than equity-type investments classified as FVOCI) (continued)

##### 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 initial recognition or that have low credit risk (i. local sovereign that carry credit rating of (Aaa) or (Aa) and carry (zero) credit weight in accordance with capital adequacy instructions of the QCB, ii. externally rated debt instruments of rating Aaa or Aa, iii. other financial assets which the Group may classify as such after obtaining QCB's no objection) at the reporting date. For these assets, 12-month ECL are recognised, and profit is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL is the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12-months.

##### Stage 2: Lifetime ECL - not credit impaired

Stage 2 includes financial assets that have had a significant increase in credit risk 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. Expected credit losses are the weighted average credit losses with the life-time probability of default ('PD') as the weight.

##### Stage 3: Non performing - credit impaired

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date in accordance with the indicators specified in the QCB's instructions. For these assets, lifetime ECL is recognised and treated with the profit calculated on them, according to QCB's instructions as disclosed in the most recent annual financial statements. When transitioning financial assets from stage 2 to stage 3, the percentage of provision made for such assets should not be less than the percentage of provision made before transition.

The Group recognises loss allowances for expected credit loss (ECL) on the following financial instruments that are not measured at FVIS:

- Financial assets that are debt instruments;
- Financial guarantee contracts issued; and
- Financing commitments issued.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- Debt investment securities that are determined to have low credit risk at the reporting date; and
- Other financial instruments on which credit risk has not increased significantly since their initial recognition

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

##### Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);

- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- Undrawn financing commitments and Letter of credit: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- Financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

The determination of the FAS 30 provision results from a two-step approach:

Step 1: The facilities will have to be allocated to one of the three impairment stages by determining whether a significant increase in credit risk has occurred since initial recognition or whether the facility has been credit impaired.

Step 2: The expected credit loss is calculated i.e., 12-month expected loss for all facilities in stage 1 and lifetime expected credit loss for all facilities in stage 2. The facilities in stage 3 are covered by specific provisions as per QCB regulations and FAS 30 requirements.

The Group has adopted QCB guidelines on staging and provisioning of certain exposures, which modifies the requirements of FAS 30 "Impairment, credit losses and onerous commitments".

### **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 borrower, then an assessment is made of whether the financial asset should be derecognised 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 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. The 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.

### **Credit-impaired financial assets**

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a financing asset by the Group on terms that the Group would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (g) Impairment of financial assets (other than equity-type investments classified as FVOCI) (continued)

##### Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for ECL are presented in the consolidated statement of financial position as follows:

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- Financing commitments and financial guarantee contracts: generally, as a provision;
- Where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the financing asset commitment / off balance sheet component separately from those on the drawn component: the Group presents a combined loss allowance for both components. The amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn components is presented as a provision in other liabilities; and
- Debt instruments measured at FVOCI: no loss allowance is recognised in the consolidated statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

##### Write-off

Financing assets and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

#### (h) Impairment of equity-type investments classified as FVOCI

With effect from the issuance of QCB circular 13/2020, equity-type instruments classified as FVOCI are not tested for impairment.

#### (i) Modification of financial assets and liabilities

##### *Financial Assets*

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value, and recalculates a new effective profit rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purpose, including for the purpose of determining whether a significant increase in credit risk has occurred.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the consolidated statement of income. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as profit.

##### *Financial liabilities*

The Group derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is

recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the consolidated income statement.

**(j) Cash and cash equivalents**

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the consolidated statement of financial position.

**(k) Shari'a-compliant risk management instruments**

Shari'a-compliant risk management instruments are measured at fair value on the consolidated statement of financial position.

The Group's Shari'a-compliant risk management instruments include unilateral promise to buy/sell currencies, profit rate and cross currency swaps. After initial recognition at transaction prices, being the best evidence of fair value upon initial recognition, Shari'a-compliant risk management instruments are subsequently measured at fair value. Fair value represents quoted market price or internal pricing models, as appropriate. The resulting gains or losses are included in the consolidated statement of income.

**Wa'ad, Khiyar and Tahawwut**

Wa'ad (promise) is a unilateral undertaking (constructive obligation) assumed by one party. The unilateral promise is understood to be binding in Shari'a on the individual who makes it, unless a legitimate excuse under Shari'a arises and prevents its fulfilment. Wa'ad may be classified as:

- Binding Wa'ad (promise) – is a Wa'ad which becomes binding on the promisor by virtue of juristic rules if it is pending on a cause and the promisee has incurred costs by reason of the promise, or by virtue of the promisor expressly making the same binding on itself; and
- Non-binding Wa'ad (promise) – is a Wa'ad other than a binding promise.

Khiyar (option) is an option (expressed or implied) that is contained within a sale, Ijarah or other contract, allowing one party to unilaterally nullify or revoke the contract or to unilaterally amend the contract in a manner that the subject matter is materially changed.

Tahawwut (hedging) arrangement – is a mechanism to mitigate the risk of unfavourable future fair value changes or cash flow differentials by way of entering into a Wa'ad or Khiyar (for a stipulated period of time) arrangement or a series thereof.

**Derivatives held for risk management purposes and accounting for Tahawwut (hedging) arrangements**

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value on the consolidated statement of financial position. The Group designates certain derivatives held for risk management as hedging instruments in qualifying Tahawwut (hedging) relationships. The Group accounts for Tahawwut (hedging) relationship when all of the following conditions are met:

- the hedging relationship is adequately documented, identifying the hedging instrument and the hedged item, the nature of the risk being hedged, and how the Group will assess the hedging instruments effectiveness;
- the hedge is expected to be effective in achieving its desired objectives that were originally documented in the risk management strategy for that particular hedging relationship by offsetting changes in fair value or cash flows attributable to the hedged risk;

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (k) Shari'a-compliant risk management instruments (continued)

##### Derivatives held for risk management purposes and accounting for Tahawwut (hedging) arrangements (continued)

- exposure to variations in cash flows is probable, in case of cash flow hedges, that may have impact on the consolidated statement of income;
- the effectiveness of the hedge can be reliably measured; and
- the hedge is assessed on an ongoing basis and is determined to be highly effective throughout the financial reporting period.

These hedging relationships are discussed below:

##### *Cash flow hedges – qualifying for hedge accounting*

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in the fair value reserve. The amount recognised in fair value reserve is reclassified to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect consolidated statement of income. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in consolidated statement of income.

If the hedging derivative expires or is sold, terminated, or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. In a discontinued hedge of a forecast transaction, the cumulative amount recognised in the fair value reserve from the period when the hedge was effective is reclassified from equity to profit or loss as a reclassification adjustment when the forecast transaction occurs and affects profit or loss. If the forecast transaction is no longer expected to occur, then the balance in the fair value reserve is reclassified immediately to the consolidated statement of income as a reclassification adjustment.

##### *Fair value hedges – qualifying for hedge accounting*

When a derivative is designated as the hedging instrument in a hedge of the change in fair value of a recognised asset or liability or a firm commitment that could affect profit or loss, changes in the fair value of the derivative are recognised immediately in consolidated statement of income together with changes in the fair value of the hedged item that are attributable to the hedged risk. If the hedging derivative expires or is sold, terminated, or exercised, or the hedge no longer meets the criteria for fair value hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. Any adjustment up to that point to a hedged item, for which the effective profit method is used, is amortised to consolidated statement of income as part of the recalculated effective profit rate of the item over its remaining life.

##### *Hedging derivatives – not qualifying for hedge accounting*

When a derivative is held for risk management purposes but, due to the characteristics of the derivative (e.g. where it includes embedded options), it does not qualify for hedge accounting, all changes in its fair value are recognised immediately in consolidated statement of income. Also included in this category are foreign exchange derivatives (such as forward exchange contracts) that are used to hedge foreign currency risks arising between lending and funding activities and interest rate options.

#### (l) Property and equipment

##### *Recognition and initial measurement*

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of

self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the assets and restoring the site on which they are located. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property and equipment, and is recognised in other income/other expenses in consolidated statement of income.

Depreciation is recognised in the consolidated statement of income on a straight-line basis over the estimated useful lives of each part of an item of property and equipment since this closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset and is based on cost of the asset less its estimated residual value. Land and work-in-progress are not depreciated.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The estimated useful lives for the current and comparative years are as follows:

Buildings	20 - 40 years
Leasehold improvements	the shorter of the useful life (5- 10 years) or the lease term
Furniture, fixtures and office equipment	3 - 7 years
Motor vehicles	3 years
Computer equipment	3 -7 years

Useful lives and residual values are reassessed at each reporting date and adjusted prospectively, if appropriate.

#### *Subsequent costs*

The cost of replacing a component of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in consolidated statement of income as incurred.

Repairs and maintenance expenses are charged to the consolidated statement of income when incurred.

#### **(m) Intangible assets**

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group. Intangible assets acquired separately or in a business combination (other than goodwill) are measured on initial recognition at fair value and subsequently at cost less accumulated amortisation and impairment loss.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates and accounted for on a prospective basis. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of income in the expense category consistent with the nature of the intangible asset.

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (m) Intangible assets (continued)

An intangible asset is derecognised on disposal or when no future economic benefits are expected from use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in consolidated statement of income when the asset is derecognised.

Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life from indefinite to finite is made on a prospective basis. Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

Intangible assets other than goodwill are amortised over their useful lives and carried net of accumulated amortisation and impairment losses.

A summary of the useful lives and amortisation methods of the Group's intangible assets are as follows:

	<i>Goodwill</i>	<i>Customer relationships</i>	<i>Core deposits</i>	<i>License</i>
Useful lives	Indefinite	Finite (8 years)	Finite (10 years)	Finite (5 years)
Amortisation method used	Tested for impairment either individually or at cash generating unit level	Amortised on a straight-line basis over the periods of availability	Amortised on a straight-line basis over the periods of availability	Amortised on a straight-line basis over the periods of availability
Internally generated or acquired	Acquired	Acquired	Acquired	Acquired

#### (n) Due from banks

Due from banks are financial assets which are mainly money market placements with fixed or determinable payments and fixed maturities that are not quoted in an active market. Money market placements are not entered into with the intention of immediate or short-term resale. Due from banks are initially measured at cost, being the fair value of the consideration given. Following the initial recognition, due from banks are stated at amortised cost less impairment allowances (if any).

#### (o) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets (where applicable) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its Cash Generating Unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes.

Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in consolidated statement of income. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortisation, if no impairment loss had been recognised.

**(p) 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.

**(q) 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 accrued profit and related reserves less amounts settled.

Quasi-equity holders include participatory investment accounts (unrestricted 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.

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (q) Quasi-equity (continued)

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.

#### (r) Distribution of profit between participatory investment account holders and shareholders

The Group complies with the directives of the QCB as follows:

- Net profit is arrived at after taking into account all income and expenses at the end of the financial year, and is distributed between participatory investment account holders and its equity holders.
- The share of profit of participatory investment account holders is calculated on the basis of their daily deposit balances over the year, after reducing the Group's agreed and declared Mudaraba profit.
- In case of any expense or loss, which arises out of negligence on the part of the Group due to non-compliance with QCB regulations and instructions, then such expenses or loss, shall not be borne by the participatory investment account holders. Such matter is subject to the QCB decision.
- In case the results of the Group at the year-end are net losses, then QCB, being the authority responsible for determining the Group's accountability for these losses, shall decide how these shall be treated without violation to the Islamic Shari'a rules.
- Due to pooling of investment funds with the Group's funds for the purpose of investment, no priority has been given to either party in the appropriation of profit.

All assets are jointly financed by participatory investment account holders and equity holders.

#### (s) 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.

#### (t) Sukuk financing

Sukuk financing represents common shares in the ownership of assets or benefits or services which bears profit. Profits are recognised periodically until maturity. Sukuks are recognised at amortised cost. Sukuks are disclosed as a separate line in the consolidated financial statements as "Sukuk and debt financing".

#### (u) Provisions

Provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

#### **(v) Employees benefits**

##### *Defined contribution plans*

The Bank provides for its contribution to the State administered retirement fund for Qatari employees in accordance with the Retirement and Pension Law No. 24 of 2002, and the resulting charge is included within the "Staff pension fund costs" under "Staff costs" in the consolidated statement of income. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised when they are due.

##### *Employees' end of service benefits*

The Bank also provides for end of service benefits to its expatriate employees in accordance with the Qatar Labour Law. The provision is calculated based on the period of service for each staff at the year end. This provision is included in other liabilities.

##### *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### **(w) Share capital and reserves**

##### *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.

#### **(x) Revenue recognition**

##### *Murabaha and Musawama*

Profit from Murabaha and Musawama 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 statement of income.

##### *Mudaraba*

Income on Mudaraba financing is recognised when the right to receive payment is established or on distribution by the Mudarib, whereas losses are charged to the consolidated statement of income on declaration by the Mudarib.

##### *Musharaka*

Income on Musharaka financing is recognised when the right to receive payments is established or on distribution.

##### *Ijarah Muntahia Bittamleek*

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (x) Revenue recognition (continued)

##### *Istisna'a*

Revenue and the associated profit margin are recognised in the Group's consolidated statement of income according to the percentage of completion method or completed contract method.

##### *Wakala*

Income from Wakala placements is recognised on a time apportioned basis so as to yield a constant periodic rate of return based on the balance outstanding.

##### *Income from asset management services*

Income from asset management services (presented in fee and commission income), including advisory, management and performance fees, is recognised as per contractual terms when the service is provided and income is earned. This is usually when the Group has performed all significant acts in relation to a transaction and it is highly probable that the economic benefits from the transaction will flow to the Group. Significant acts in relation to a transaction are determined based on the terms agreed in the contracts for each transaction. The assessment of whether economic benefits from a transaction will flow to the Group is based on the extent of binding firm commitments received from other parties.

##### *Fees and commission income*

Fees and commission income that are integral to the effective profit rate on a financial asset carried at amortised cost are included in the measurement of the effective profit rate of the financial asset. Other fees and commission income, including account servicing fees, sales commission, feasibility study / management, arrangement and syndication fees, are recognised over time as the related services are performed. The performance, as well as the timing of their satisfaction, are identified and determined, at the inception of the contract.

The Bank has generally concluded that it is a principal in its revenue arrangements because it typically controls the services before transferring them to customer.

##### *Dividend income*

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

#### (y) Income tax

Taxes are calculated based on tax laws and regulations in jurisdictions in which the Group operates. A tax provision is made based on an evaluation of the expected tax liability. The Group's operations inside Qatar are not subject to tax, except Al Rayan Investment L.L.C. and Al Rayan Partners L.L.C. whose profits are subject to tax as per the relevant tax regulations.

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the consolidated statement of income except to the extent that it relates to items recognised directly in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### **(z) Earnings per share**

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to equity holders of the Bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity holders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

### **(aa) Financial guarantees**

In the ordinary course of business, the Group gives financial guarantees, consisting of letters of credit, guarantees and acceptances.

Financial guarantees are initially recognised in the consolidated financial statements at fair value, being the premium received on the date the guarantee was given, and the initial fair value is amortised over the life of the financial guarantee. Subsequent to initial recognition, the Group's liability under such guarantees are measured at the higher of the amortised amount and the best estimate of the expenditure required to settle any financial obligation arising at the consolidated statement of financial position date. These estimates are determined based on experience of similar transactions and history of past losses, supplemented by the judgment of Management.

Any increase in the liability relating to guarantees is taken to the consolidated statement of income. The amortisation of the premium received is recognised in the consolidated statement of income under commission and fees income.

### **(bb) Acceptances**

Acceptances arise when the Bank is under an obligation to make payments against documents drawn under letters of credit. Acceptances specify the amount of money, the date and the person to which the payment is due. After acceptance, the instrument becomes an unconditional liability (time draft) of the Bank and is therefore recognised as a financial liability in the consolidated statement of financial position with a corresponding contractual right of reimbursement from the customer recognised as a financial asset.

### **(cc) Collateral repossessed**

The Bank acquires collaterals in settlement of certain financing assets. These collaterals are recognized at net realisable value on the date of acquisition and are classified as "Other assets". Subsequently, the fair value is determined on a periodic basis by independent professional valuers. Fair value adjustments on these collaterals are included in the consolidated statement of income in the period in which these gains or losses arise.

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (dd) Contingent liabilities

Contingent liabilities include guarantees, letters of credit, Group's obligations with respect to unilateral promise to buy/sell currencies, profit rate and currency 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 Shari'a-compliant risk management instruments.

#### (ee) Segment reporting

An operating segment is a distinguishable component of the Group:

- that engages in business activities earning income and incurring expenses (including income and expenses relating to transactions with any of the Group's other components);
- whose operating results are regularly reviewed by the Group's decision makers and those charged with governance;
- whose functions are managed by a dedicated segment management; and
- for which discrete financial information is available.

Two or more segments are combined together if they are substantially similar and disclosing their separate results would not add significant value to the users of the financial statements.

#### (ff) Earnings prohibited by Shari'a

The Group is committed to avoid recognizing any income generated from non-Islamic source. Consequently, all non-Islamic income is credited to a charity account and the Group uses these funds for various social welfare activities.

#### (gg) Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

#### (hh) Ijarah (FAS 32)

The Group has applied from 1 January 2021 FAS 32 – *Ijarah* which sets out principles for the classification, recognition, measurement, presentation and disclosure of Ijarah-type transactions including their different forms entered into by Islamic financial institutions, in both the capacities of lessor and lessee. The Group adopted the following policies in line with FAS 32 and shall implement any subsequent guidelines or amendments to the standards that may be issued by the QCB.

##### ***The Group as lessee***

##### *Identifying an Ijarah*

At inception of a contract, the Group assesses whether the contract is, or contains an Ijarah. A contract is or contains an Ijarah if the contract transfers the usufruct (but not control) of an identified asset for a period of time in exchange for an agreed consideration.

Usufruct – is a legally enforceable limited right related to an asset including the two property interests of (i) *usus* (use), being the right to use or enjoy such asset and (ii) *fructus* (fruit), being the right to derive profit or benefit from such asset but does not entail risks and rewards incidental to ownership.

##### *Classification and measurement*

The Group, in its capacity as either the lessor or the lessee, classifies each of its Ijarah into:

- a. Operating Ijarah;
- b. Ijarah Muntahia Bittamleek with expected transfer of ownership after the end of the Ijarah term – either through a sale or a gift; or
- c. Ijarah Muntahia Bittamleek with gradual transfer of ownership during the Ijarah term (including Diminishing Musharaka Ijarah).

At the Ijarah commencement date, the Group as a lessee recognises a right-of-use (usufruct) asset and a net Ijarah liability (i.e. gross Ijarah liability less deferred Ijarah cost).

### **Right-of-use asset**

#### *Initial recognition and measurement*

On initial recognition, the lessee measures the right-of-use asset at cost. The cost of the right-of-use asset comprises of:

- a. The prime cost of the right-of-use asset;
- b. Initial direct costs incurred by the lessee; and
- c. Dismantling or decommissioning costs.

The Group determines the prime cost of the right-of-use asset using the liability estimation method. Under this method, the prime cost of the right-of-use asset is determined through estimation based on the fair value of the total consideration paid or payable (i.e. total Ijarah rentals) against the right-of-use asset, under a similar transaction.

#### *Recognition exemptions and simplified accounting for the lessee*

The Group as a lessee elects not to apply the requirements of Ijarah recognition and measurement to:

- Short-term Ijarah; and
- Ijarah for which the underlying asset is of low value.

#### *Subsequent measurement*

After the commencement date, the Group as a lessee measures the right-of-use asset at cost less accumulated amortisation and impairment losses, adjusted for the effect of any Ijarah modifications or reassessments. The amortizable amount of a right-of-use asset comprises of the right-of-use asset less residual value, if any, and is amortised according to a systematic basis that is reflective of the pattern of utilization of benefits from the right-of-use asset.

The Group amortises the right-of-use asset from the commencement date to the end of the useful economic life of the right-of-use asset, which coincides with the end of the Ijarah term. The Group determines the Ijarah term, including the contractually binding period, as well as reasonably certain optional periods, including:

- a. Extension periods if it is reasonably certain that the Group will exercise that option; and/ or
- b. Termination options if it is reasonably certain that the Group will not exercise that option.

The Group carries out impairment assessment in line with the requirements of FAS 30 "Impairment, Credit Losses and Onerous Commitments" to determine whether the right-of-use asset is impaired and to account for any impairment losses identified. The impairment assessment takes into consideration the estimated residual value of the underlying asset. Any related commitments, including promises to purchase the underlying asset, are also considered in line with FAS 30 "Impairment, Credit Losses and Onerous Commitments".

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (hh) Ijarah (FAS 32) (continued)

##### Net Ijarah liability

###### *Initial recognition and measurement*

The net Ijarah liability comprises of the gross Ijarah liability and deferred Ijarah cost (shown as a contra-liability).

The gross Ijarah liability is initially recognised as the gross amount of total Ijarah rental payables for the Ijarah term. The rental payable comprises of the following payments for the right to use the underlying asset during the Ijarah term:

- Fixed Ijarah rentals less any incentives receivable;
- Variable Ijarah rentals including supplementary rentals; and
- Payments of additional rentals, if any, for terminating the Ijarah (if the Ijarah term reflects the lessee exercising the termination option).

Advance rentals paid are netted off with the gross Ijarah liability.

Hamish Jiddiyah paid by the Group are recognized as a receivable from the lessor and are not netted-off with the Ijarah liability, unless it is to be adjusted against consideration for transfer of ownership or adjustment against rental liability if agreed upon between the parties, at the time of such event taking place.

###### *Subsequent measurement*

After the commencement date, the Group measures the net Ijarah liability by:

- a. Reducing the carrying amount of the gross Ijarah liability to reflect the Ijarah rentals made;
- b. Increasing the net carrying amount to reflect return on the Ijarah liability (amortisation of deferred Ijarah cost); and
- c. Re-measuring the carrying amount in the event of reassessment or Ijarah contract modifications or to reflect revised Ijarah rentals.

The deferred Ijarah cost is amortised to consolidated statement of income over the Ijarah terms on a time-proportionate basis using the effective rate of return method.

##### **Ijarah contract modifications**

After the commencement date, the Group accounts for Ijarah contract modifications as follows:

- a. Change in the Ijarah term: re-calculation and adjustment of the right-of-use asset, the Ijarah liability, and the deferred Ijarah cost; or
- b. Change in future Ijarah rentals only: re-calculation of the Ijarah liability and the deferred Ijarah cost only, without impacting the right-of-use asset.

An Ijarah modification is considered as a new Ijarah component to be accounted for as a separate Ijarah for the lessee, if the modification both additionally transfers the right to use of an identifiable underlying asset and the Ijarah rentals are increased corresponding to the additional right-of-use asset. For modifications not meeting any of the conditions stated above, the Group considers the Ijarah as a modified Ijarah as of the effective date and recognises a new Ijarah transaction. The Group recalculates the Ijarah liability, deferred Ijarah cost, and right-of-use asset, and de-recognises the existing Ijarah transaction and balances.

## 4. FINANCIAL RISK MANAGEMENT

### 4.1 Introduction and overview

#### Risk management and structure

Financial instruments cover all financial assets and liabilities of the Group. Financial assets include cash balances, on demand balances and placements with banks, investment securities, financing assets and certain other financial assets. Financial liabilities include customer current accounts, due to banks, sukuk financing, other borrowings and certain other financial liabilities. Financial instruments also include contingent liabilities and commitments included in off-statement of financial position items.

#### *Introduction*

Risk is inherent in the Group's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to credit risk, market risk, liquidity risk and operational risk, which include trading and non-trading risks.

The independent risk control process does not include business risks such as changes in the environment, technology and industry. They are monitored through the Group's strategic planning process.

#### *Board of Directors*

The Board of Directors is responsible for the risk management methodology and approving strategic plans and risk management principles.

#### *Risk management function*

The Risk Management Function is responsible for implementing and maintaining risk related procedures to ensure an independent control process. It is also responsible for monitoring compliance with risk principles, policies and limits, across the Group.

#### *Assets and liabilities*

The Group's management is responsible for managing the Group's assets and liabilities and the overall financial structure and also responsible for the Group's credit and liquidity risk.

#### *Internal audit*

Risk management processes throughout the Group are audited annually by the Internal Audit Department that examines both the adequacy of the procedures and the Group's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Audit Committee.

Information compiled from all business departments is examined and processed in order to analyse, control and identify early risks. This information is presented and explained to the Board of Directors, risk unit, and the head of each business division.

Frequent reports are given to the senior management and all other relevant members of the Group on the utilisation of market limits, analysis of propriety investments and liquidity, plus any other risk developments.

### 4.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

## 4. FINANCIAL RISK MANAGEMENT (continued)

### 4.2 Credit risk (continued)

The Group seeks to manage its credit risk exposure through diversification of lending activities to avoid undue concentrations of risks with individuals or group of customers in specific locations or businesses. It also obtains collaterals, when appropriate. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

The main types of collaterals obtained are as follows:

- For securities financing: cash or securities.
- For commercial financing: mortgages over real estate properties, inventory, cash or securities.
- For retail financing: mortgages over residential properties, vehicles and securities.

Management constantly monitors the market value of collaterals.

The Group also obtains corporate guarantees from parent companies for receivables and balances from financing activities to their subsidiaries.

Details of the composition of the receivables and balances from financing activities to customers are set out in Note 10. Also the details of geographical segments are set out in Note 34.

#### 4.2.1 Credit risk measurement

##### *Risk measurement and reporting systems*

The Group's risks are measured using a method which reflects both the expected loss likely to arise in normal circumstances and unexpected losses. The Group also runs worse case scenarios that would arise in the event that extreme events which are unlikely to occur do, in fact, occur.

Monitoring and controlling risks is primarily performed based on limits established by the Group. These limits reflect the business strategy and market environment of the Group as well as the level of risk that the Group is willing to accept, with additional emphasis on selected industries. In addition, the Group monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risk type activities and the module makes use of probabilities derived from historical experience adjusted to reflect the economic environment.

#### 4.2.2 Risk limit control and mitigation policies

##### *Risk mitigation*

As a part of overall risk management, the Group uses swap deals and other instruments to manage exposures from changes in profit rates, foreign currencies, equity risks, credit risks and exposures arising from forecast transactions.

##### *Excessive risk concentration*

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.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio, with limits set on geographic and industry sector exposures. Identified concentrations of credit risks are controlled and managed accordingly.

#### 4.2.3 Maximum exposure to credit risk before collateral held or other credit enhancements

	2025	2024
		<i>QAR '000s</i>
<b>Credit risk exposures relating to financial assets recorded on the consolidated statement of financial position are as follows:</b>		
Cash and balances with central banks (excluding cash on hand)	<b>5,409,307</b>	5,279,274
Due from banks	<b>4,816,232</b>	5,164,680
Financing assets	<b>118,188,326</b>	110,039,563
Investment securities - debt	<b>44,947,379</b>	42,926,694
Other assets <sup>1</sup>	<b>3,220,540</b>	3,379,446
	<b>176,581,784</b>	<u>166,789,657</u>
<b>Other credit risk exposures are as follows:</b>		
Unutilised credit facilities	<b>3,465,169</b>	5,544,378
Guarantees	<b>10,394,911</b>	9,115,955
Letters of credit	<b>1,184,732</b>	1,105,526
Contingent liabilities of a non-Shari'a-compliant subsidiary (Note 33a)	<b>442,970</b>	446,160
	<b>15,487,782</b>	<u>16,212,019</u>

<sup>1</sup> Includes assets of a non-Shari'a-compliant subsidiary

The above tables represents a worse-case scenario of credit risk exposure to the Group, without taking account of any collateral held or other credit enhancements attached. For assets recorded on the consolidated statement of financial position, the exposures set out above are based on net carrying amounts as reported on the consolidated statement of financial position.

## 4. FINANCIAL RISK MANAGEMENT (continued)

### 4.2 Credit risk (continued)

#### 4.2.4 Concentration of risks of financial assets with credit risk exposure

(a) By Geographical Sector

	QAR '000s				
	Qatar	Other GCC	Other Middle East	Others	Total
<b>2025</b>					
Assets recorded on the consolidated statement of financial position:					
Cash and balances with central banks (excluding cash on hand)	5,409,307	-	-	-	5,409,307
Due from banks	1,693,590	21,859	-	3,100,783	4,816,232
Financing assets	100,873,663	278,409	-	17,036,254	118,188,326
Investment securities - debt	40,638,326	3,489,991	93,334	725,728	44,947,379
Other assets <sup>1</sup>	308,785	696,374	-	2,215,381	3,220,540
	<u>148,923,671</u>	<u>4,486,633</u>	<u>93,334</u>	<u>23,078,146</u>	<u>176,581,784</u>

	QAR '000s				
	Qatar	Other GCC	Other Middle East	Others	Total
<b>2024</b>					
Assets recorded on the consolidated statement of financial position:					
Cash and balances with central banks (excluding cash on hand)	5,279,274	-	-	-	5,279,274
Due from banks	2,293,429	230,586	-	2,640,665	5,164,680
Financing assets	93,937,873	305,650	1,020,382	14,775,658	110,039,563
Investment securities - debt	39,322,664	2,743,684	107,550	752,796	42,926,694
Other assets <sup>1</sup>	284,019	926,759	-	2,168,668	3,379,446
	<u>141,117,259</u>	<u>4,206,679</u>	<u>1,127,932</u>	<u>20,337,787</u>	<u>166,789,657</u>

<sup>1</sup> Include assets of a non-Shari'a-compliant subsidiary

	QAR '000s				
	Qatar	Other GCC	Other Middle East	Others	Total
<b>2025</b>					
Unutilised credit facilities	3,167,657	26,380	-	271,132	3,465,169
Guarantees	7,985,188	430,196	78,963	1,900,564	10,394,911
Letters of credit	344,516	-	36,405	803,811	1,184,732
Contingent liabilities of a non-Shari'a-compliant subsidiary	347	308,229	-	134,394	442,970
	<u>11,497,708</u>	<u>764,805</u>	<u>115,368</u>	<u>3,109,901</u>	<u>15,487,782</u>

	QAR '000s				
	Qatar	Other GCC	Other Middle East	Others	Total
2024					
Unutilised credit facilities	4,651,071	15,071	-	878,236	5,544,378
Guarantees	7,781,780	89,422	18,036	1,226,717	9,115,955
Letters of credit	311,051	-	-	794,475	1,105,526
Contingent liabilities of a non-Shari'a-compliant subsidiary	17,155	260,370	-	168,635	446,160
	<u>12,761,057</u>	<u>364,863</u>	<u>18,036</u>	<u>3,068,063</u>	<u>16,212,019</u>

(b) By Industry sector

An industry sector analysis of the Group's maximum exposure to credit risk for the components of the consolidated statement of financial position is shown below. The maximum exposure is shown net, before the effect of mitigation through the use of master netting and collateral agreements.

	QAR '000s	
	<i>Net exposure</i> 2025	<i>Net exposure</i> 2024
<b>Funded and unfunded</b>		
Government	61,232,261	42,974,421
Government agencies	37,962,834	49,307,535
Industry	1,527,022	1,931,249
Commercial	12,274,561	11,650,027
Services	30,323,501	28,262,769
Contracting	2,693,134	2,006,725
Real estate	20,251,629	18,666,926
Personal	10,316,842	11,990,005
Contingent liabilities	15,044,812	15,765,859
Contingent liabilities of a non-Shari'a-compliant subsidiary	442,970	446,160
<b>Total</b>	<u>192,069,566</u>	<u>183,001,676</u>

## 4. FINANCIAL RISK MANAGEMENT (continued)

### 4.2.5 Credit quality

The credit quality of financial assets is managed by the Group using internal and external credit risk ratings. The Group follows an internal obligor risk rating ("ORR") mechanism for grading relationships across its credit portfolio. The Group utilises a ten-scale credit rating system with positive and negative modifiers, giving a total scale range of 22, of which 19 (with positive and negative modifiers) relate to performing and three to non-performing. Within performing, ORR 1 to 4- represents investment grade, ORR 5+ to 7- represents sub-investment grade, of which 7+ to 7- represents watch list. ORR 8 to 10 represents sub-standard, doubtful and loss respectively. All credits are assigned a rating in accordance with the defined criteria. The Group endeavors continuously to improve upon the 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 lending relationships are reviewed at least once in a year and more frequently in the case of non-performing assets.

The following table sets out information about the credit quality of financial assets, commitments and financial guarantees.

	<i>QAR '000s</i>			
	<b>2025</b>			
	Stage 1	Stage 2	Stage 3	Total
<b>Due from banks and balances with central banks</b>				
Investment grade	8,925,181	905	-	8,926,086
Sub-investment grade	940,172	361,455	-	1,301,627
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
	<u>9,865,353</u>	<u>362,360</u>	<u>-</u>	<u>10,227,713</u>
Loss allowance	<u>(1,831)</u>	<u>(343)</u>	<u>-</u>	<u>(2,174)</u>
<b>Carrying amount</b>	<u><b>9,863,522</b></u>	<u><b>362,017</b></u>	<u><b>-</b></u>	<u><b>10,225,539</b></u>

	<i>QAR '000s</i>			
	<b>2024</b>			
	Stage 1	Stage 2	Stage 3	Total
<b>Due from banks and balances with central banks</b>				
Investment grade	9,530,076	-	-	9,530,076
Sub-investment grade	661,358	259,249	-	920,607
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
	<u>10,191,434</u>	<u>259,249</u>	<u>-</u>	<u>10,450,683</u>
Loss allowance	<u>(6,704)</u>	<u>(25)</u>	<u>-</u>	<u>(6,729)</u>
<b>Carrying amount</b>	<u><b>10,184,730</b></u>	<u><b>259,224</b></u>	<u><b>-</b></u>	<u><b>10,443,954</b></u>

	QAR '000s			
	<b>2025</b>			
	Stage 1	Stage 2	Stage 3	Total
<b>Financing assets</b>				
Investment grade	77,105,550	5,425,355	-	82,530,905
Sub-investment grade	18,287,371	16,489,407	-	34,776,778
Substandard	-	-	657,551	657,551
Doubtful	-	-	35,641	35,641
Loss	-	-	5,627,076	5,627,076
	<u>95,392,921</u>	<u>21,914,762</u>	<u>6,320,268</u>	<u>123,627,951</u>
Loss allowance	(52,102)	(1,099,151)	(4,288,372)	(5,439,625)*
<b>Carrying amount</b>	<u>95,340,819</u>	<u>20,815,611</u>	<u>2,031,896</u>	<u>118,188,326</u>

\* Includes profit in suspense of QAR 424,942 thousand.

	QAR '000s			
	2024			
	Stage 1	Stage 2	Stage 3	Total
<b>Financing assets</b>				
Investment grade	69,411,553	7,228,064	-	76,639,617
Sub-investment grade	15,674,669	16,226,308	-	31,900,977
Substandard	-	-	306,633	306,633
Doubtful	-	-	50,055	50,055
Loss	-	-	5,895,831	5,895,831
	<u>85,086,222</u>	<u>23,454,372</u>	<u>6,252,519</u>	<u>114,793,113</u>
Loss allowance	(54,375)	(803,896)	(3,895,279)	(4,753,550)*
<b>Carrying amount</b>	<u>85,031,847</u>	<u>22,650,476</u>	<u>2,357,240</u>	<u>110,039,563</u>

\* Includes profit in suspense of QAR 390,214 thousand.

	QAR '000s			
	<b>2025</b>			
	Stage 1	Stage 2	Stage 3	Total
<b>Investment securities - debt</b>				
Investment grade	43,921,819	-	-	43,921,819
Sub-investment grade	629,609	404,953	-	1,034,562
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	53,142	53,142
	<u>44,551,428</u>	<u>404,953</u>	<u>53,142</u>	<u>45,009,523</u>
Loss allowance	(4,252)	(4,750)	(53,142)	(62,144)
<b>Carrying amount</b>	<u>44,547,176</u>	<u>400,203</u>	<u>-</u>	<u>44,947,379</u>

## 4. FINANCIAL RISK MANAGEMENT (continued)

### 4.2 Credit risk (continued)

#### 4.2.5 Credit quality (continued)

	2024			QAR '000s
	Stage 1	Stage 2	Stage 3	Total
Investment securities - debt				
Investment grade	41,174,994	-	-	41,174,994
Sub-investment grade	1,306,238	463,085	-	1,769,323
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	53,142	53,142
	42,481,232	463,085	53,142	42,997,459
Loss allowance	(4,674)	(12,949)	(53,142)	(70,765)
Carrying amount	42,476,558	450,136	-	42,926,694

	2025			QAR '000s
	Stage 1	Stage 2	Stage 3	Total
<b>Other credit risk exposures</b>				
Investment grade	9,122,277	1,058,695	-	10,180,972
Sub-investment grade	1,740,081	3,100,231	-	4,840,312
Substandard	-	-	6,775	6,775
Doubtful	-	-	1,291	1,291
Loss	-	-	21,399	21,399
	10,862,358	4,158,926	29,465	15,050,749
Loss allowance	(2,995)	(53,505)	(24,657)	(81,157)
<b>Carrying amount</b>	10,859,363	4,105,421	4,808	14,969,592

	2024			QAR '000s
	Stage 1	Stage 2	Stage 3	Total
Other credit risk exposures				
Investment grade	8,882,665	1,133,907	-	10,016,572
Sub-investment grade	2,330,735	3,399,677	-	5,730,412
Substandard	-	-	2,646	2,646
Doubtful	-	-	-	-
Loss	-	-	22,288	22,288
	11,213,400	4,533,584	24,934	15,771,918
Loss allowance	(3,518)	(39,974)	(24,574)	(68,066)
Carrying amount	11,209,882	4,493,610	360	15,703,852

#### 4.2.6 Credit quality assessments

The table below provides an analysis of counterparties by rating grades and credit quality of the Group's credit risk profile. This assessment is based on the alignment of internal credit ratings with external rating agency scales.

Rating grade	QAR '000s			
	Financing assets	Due from banks and central banks	Debt type investments	Other exposures subject to credit risk
AAA to AA-	59,842,770	6,710,677	39,367,581	3,284,898
A+ to A-	10,999,775	2,130,659	4,017,863	4,556,688
BBB+ to BBB-	11,688,360	84,750	536,375	2,339,385
BB+ to B-	18,199,003	940,172	940,204	3,003,947
Unrated	22,898,043	361,455	147,500	1,865,831
<b>Totals as of 31 December 2025</b>	<b>123,627,951</b>	<b>10,227,713</b>	<b>45,009,523</b>	<b>15,050,749</b>

Rating grade	QAR '000s			
	Financing assets	Due from banks and central banks	Debt type investments	Other exposures subject to credit risk
AAA to AA-	55,413,984	8,814,638	37,339,318	3,295,544
A+ to A-	8,561,493	615,245	3,589,891	4,185,820
BBB+ to BBB-	12,664,139	100,194	245,785	2,535,207
BB+ to B-	18,580,656	661,574	1,652,779	4,444,008
Unrated	19,572,841	259,032	169,686	1,311,339
<b>Totals as of 31 December 2024</b>	<b>114,793,113</b>	<b>10,450,683</b>	<b>42,997,459</b>	<b>15,771,918</b>

#### 4.2.7 Collateral

The Group seeks to use collateral, where possible, to mitigate its credit risks on financial assets. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, inventories and other non-financial assets. Collateral, unless repossessed, is not recorded in the Group's consolidated statement of financial position. Cash flows expected from credit enhancements which are not required to be recognized separately by the applicable standards and which are considered integral to the contractual terms of a debt instrument which is subject to ECL are included in the measurement of those ECL. On this basis, the fair value of collateral affects the calculation of ECL. To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, or based on housing price indices.

In its normal course of business, the Group engages external agents to recover funds from the repossessed assets, generally at auctions, to settle outstanding debt. Any surplus funds are returned to the customers/obligors.

The fair value of the collateral held against credit-impaired financing assets as at 31 December 2025 is QAR 2,283 million (2024: QAR 2,963 million).

## 4. FINANCIAL RISK MANAGEMENT (continued)

### 4.2 Credit risk (continued)

#### 4.2.8 Renegotiated financing assets

Rescheduled activities include extended payment arrangements, approved external management plans, modification and deferral of payments, in accordance with Shari'ah principles. Restructuring policies and practices are based on indicators or criteria that, in the judgement of local management, indicate that payment will most likely continue. These policies are kept under continuous review. Following restructuring, a previously overdue customer account is reset to a normal status and managed together with other similar accounts as non-impaired.

#### 4.2.9 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 and after QCB approval is obtained.

This determination is made after considering information such as the occurrence of significant changes in the borrower's / issuer's financial position such that the borrower / 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. The contractual amount of financial assets written off during the year, subject to enforcement activity as at 31 December 2025 was QAR 176,026 thousand (2024: QAR 683,113 thousand).

#### 4.2.10 Inputs, assumptions and techniques used for estimating impairment

Significant increase in credit risk

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, based on the Group's historical experience and expert credit assessment and including forward-looking information.

In determining whether credit risk has increased significantly since initial recognition following criteria's are considered:

- i. Two notches down for rating from Aaa to Baa or one notch down for ratings from Ba to Ca;
- ii. Facilities restructured during previous twelve months; and
- iii. Contractual payments overdue by more than 60 days as at the reporting date.

#### *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 borrower. Exposures are subject to ongoing 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 Moody's Credit Lens to analyse the rating 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 realized default rates and observed macroeconomic factors, across various geographies in which the Group has taken exposures.

### *Renegotiated financing assets*

The contractual terms of a financing asset 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 asset whose terms have been modified may be derecognised and the renegotiated financing asset recognised as a new financing asset at fair value. Where possible, the Group seeks to restructure financing assets rather than to take possession of collateral, if available. This may involve extending the payment arrangements and documenting the agreement of new financing asset conditions. Management continuously reviews renegotiated financing assets 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 borrower 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 borrower is past due more than 90 days on any material credit obligation to the Group; or
- the borrower is rated 8, 9 or 10.

In assessing whether a borrower is in default, the Group also 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*

The Group employs statistical models to incorporate macro-economic factors on historical default rates. In case none of the above macro – economic parameters are statistically significant or the results of forecasted PD's are too much deviated from the present forecast of the economic conditions, qualitative PD overlay shall be used by management after analyzing the portfolio as per the diagnostic tool.

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.

### *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.

## 4. FINANCIAL RISK MANAGEMENT (continued)

### 4.2 Credit risk (continued)

#### 4.2.10 Inputs, assumptions and techniques used for estimating impairment (continued)

##### *Measurement of ECL (continued)*

PD estimates are estimates at a certain date, which are calculated based on statistical rating models. These statistical models are primarily based on internally compiled data comprising both quantitative and qualitative factors and are supplemented by external credit assessment 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 recovery costs of any collateral that is integral to the financial asset considering the regulatory haircut.

LGD estimation includes:

- 1) Cure Rate: Defined as the ratio of accounts which have fallen to default and have managed to move backward to the performing accounts.
- 2) Recovery Rate: Defined as the ratio of liquidation value to market value of the underlying collateral at the time of default would also account for expected recovery rate from a general claim on the individual's assets for the unsecured portion of the exposure.
- 3) 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.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics that include:

- credit risk grading's;
- product type; and
- geographic location of the borrower.

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

#### **Loss allowance**

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instruments.

	QAR '000s			
<b>Due from banks and balances with central banks</b>	<b>2025</b>			
	Stage 1	Stage 2	Stage 3	Total ECL
Balance as at 1 January	6,704	25	-	6,729
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Charge / (reversal) (net)	(4,873)	318	-	(4,555)
Impairment allowance for the year, net	(4,873)	318	-	(4,555)
Amounts written off	-	-	-	-
Foreign currency translation	-	-	-	-
<b>Balance as at 31 December</b>	<b>1,831</b>	<b>343</b>	<b>-</b>	<b>2,174</b>

	QAR '000s			
Due from banks and balances with central banks	2024			
	Stage 1	Stage 2	Stage 3	Total ECL
Balance as at 1 January	779	3	-	782
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Charge / (reversal) (net)	5,925	22	-	5,947
Impairment allowance for the year, net	5,925	22	-	5,947
Amounts written off	-	-	-	-
Foreign currency translation	-	-	-	-
Balance as at 31 December	6,704	25	-	6,729

	QAR '000s			
<b>Financing assets</b>	<b>2025</b>			
	Stage 1	Stage 2	Stage 3	Total ECL*
Balance as at 1 January	54,375	803,896	3,895,279	4,753,550
Transfers to Stage 1	2,558	(2,558)	-	-
Transfers to Stage 2	(5,803)	9,090	(3,287)	-
Transfers to Stage 3	(196)	(112,882)	113,078	-
Charge / (reversal) (net)	1,031	401,572	456,570	859,173
Impairment allowance for the year, net	(2,410)	295,222	566,361	859,173
Amounts written off	-	-	(176,026)	(176,026)
Foreign currency translation	137	33	2,758	2,928
<b>Balance as at 31 December</b>	<b>52,102</b>	<b>1,099,151</b>	<b>4,288,372</b>	<b>5,439,625</b>

\* Includes profit in suspense of QAR 390,214 thousand and QAR 424,942 thousand as of 1 January and 31 December, respectively.

## 4. FINANCIAL RISK MANAGEMENT (continued)

### 4.2 Credit risk (continued)

#### 4.2.10 Inputs, assumptions and techniques used for estimating impairment (continued)

##### Loss allowance (continued)

Financing assets	2024			QAR '000s
	Stage 1	Stage 2	Stage 3	Total ECL*
Balance as at 1 January	47,378	589,960	3,644,132	4,281,470
Transfers to Stage 1	14,540	(14,540)	-	-
Transfers to Stage 2	(6,466)	6,466	-	-
Transfers to Stage 3	(328)	(3,288)	3,616	-
Charge / (reversal) (net)	(733)	225,306	932,465	1,157,038
Impairment allowance for the year, net	7,013	213,944	936,081	1,157,038
Amounts written off	-	-	(683,113)	(683,113)
Foreign currency translation	(16)	(8)	(1,821)	(1845)
Balance as at 31 December	54,375	803,896	3,895,279	4,753,550

\* Includes profit in suspense of QAR 428,991 thousand and QAR 390,214 thousand as of 1 January and 31 December, respectively.

Investment securities - debt	2025			QAR '000s
	Stage 1	Stage 2	Stage 3	Total ECL
Balance as at 1 January	4,674	12,949	53,142	70,765
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Charge / (reversal) (net)	(429)	(8,199)	-	(8,628)
Impairment allowance for the year, net	(429)	(8,199)	-	(8,628)
Amounts written off	-	-	-	-
Foreign currency translation	7	-	-	7
Balance as at 31 December	4,252	4,750	53,142	62,144

Investment securities - debt	QAR '000s			
	2024			Total ECL
	Stage 1	Stage 2	Stage 3	
Balance as at 1 January	5,794	20,448	53,142	79,384
Transfers to Stage 1	13	(13)	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Charge / (reversal) (net)	(1,131)	(7,486)	-	(8,617)
Impairment allowance for the year, net	(1,118)	(7,499)	-	(8,617)
Amounts written off	-	-	-	-
Foreign currency translation	(2)	-	-	(2)
Balance as at 31 December	4,674	12,949	53,142	70,765

Other credit risk exposures	QAR '000s			
	2025			Total ECL
Stage 1	Stage 2	Stage 3		
Balance as at 1 January	3,518	39,974	24,574	68,066
Transfers to Stage 1	210	(210)	-	-
Transfers to Stage 2	(2)	2	-	-
Transfers to Stage 3	-	(6)	6	-
Charge / (reversal) (net)	(731)	13,745	97	13,111
Impairment allowance for the year, net	(523)	13,531	103	13,111
Amounts written off	-	-	(20)	(20)
Foreign currency translation	-	-	-	-
<b>Balance as at 31 December</b>	<b>2,995</b>	<b>53,505</b>	<b>24,657</b>	<b>81,157</b>

Other credit risk exposures	QAR '000s			
	2024			Total ECL
	Stage 1	Stage 2	Stage 3	
Balance as at 1 January	6,842	24,437	36,374	67,653
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(96)	96	-	-
Transfers to Stage 3	-	-	-	-
Charge / (reversal) (net)	(3,228)	15,441	(11,800)	413
Impairment allowance for the year, net	(3,324)	15,537	(11,800)	413
Amounts written off	-	-	-	-
Foreign currency translation	-	-	-	-
Balance as at 31 December	3,518	39,974	24,574	68,066

## 4. FINANCIAL RISK MANAGEMENT (continued)

### 4.2 Credit risk (continued)

#### 4.2.11 Credit Risk Measurement

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets requires further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Group measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

#### 4.2.12 Credit risk grading

The Group uses internal credit risk grading that reflect its assessment of the probability of default of individual counterparties. The Group uses internal rating models tailored to the various categories of counterparty. The credit grades are calibrated such that the risk of default increases exponentially at each higher risk grade.

### 4.3 Market risk

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in profit rate, currency, and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as profit rates, credit spreads, foreign exchange rates and equity prices.

The market risks arising from trading and non-trading activities are concentrated in Group Treasury and monitored by the Group's Market Risk Department on daily basis. Regular reports are submitted to the Group Asset, Liability and Capital Management Committee ("GALCCO") and Group Compliance and Risk Committee of the Board ("CRC").

#### 4.3.1 Management of market risk

Overall authority for market risk is vested in GALCCO. Group Market Risk Department is responsible for the development of detailed market risk management policies (subject to review and approval by GALCCO/Board of Directors) and for the day-to-day management of all market risks. The main objective of the Market Risk Management is identification, classification, and management of market risks in a prudent way to ensure safeguarding interests of all shareholders.

The Group views market risk management as a core competency and its purpose is not to neutralize market risks, but rather maximize risk/return tradeoffs within clearly defined limits. The existence of market risk requires the measurement of the magnitude of the exposure. This measure is an essential precursor to the management of the risk that takes the form of either reducing the exposure through hedging or maintaining sufficient capital to protect the Group from the risk of operational capacity impairment.

#### 4.3.2 Exposure to profit rate risk

The principal risk to which Bank portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market profit rates. Profit rate risk is managed principally through monitoring profit rate gaps and by having pre-approved limits for repricing bands. GALCCO is the monitoring body for compliance with these limits and is assisted by Group Market Risk in its day-to-day monitoring activities.

A summary of the Group's profit rate gap position is as follows:

	2025					Effective profit rate
	Carrying amount	Less than 3 months	3 to 12 months	Re-pricing in: 1 to 5 years	Over 5 years	
Cash and balances with central banks	5,878,930	-	-	-	-	5,878,930
Due from banks	4,816,232	4,094,601	199,877	-	-	521,754
Financing assets	118,188,326	87,918,293	8,142,663	11,099,812	9,989,951	1,037,607
Investment securities	45,919,939	2,005,748	5,519,500	35,285,848	2,392,280	716,563
Assets held by non-Shari'a-compliant subsidiary	2,957,195	515,519	672,619	971,307	643,467	154,283
	177,760,622	94,534,161	14,534,659	47,356,967	13,025,698	8,309,137
Due to banks	(28,382,617)	(24,504,016)	(2,998,030)	(367,248)	(15,602)	(497,721)
Customer current accounts	(7,839,029)	-	-	-	-	(7,839,029)
Sukuk financing	(3,322,629)	(767,273)	-	(2,292,328)	-	(263,028)
Other borrowings	(7,766,032)	(5,239,167)	(439,323)	(2,070,660)	-	(16,882)
Liabilities of a non-Shari'a-compliant subsidiary	(1,797,418)	(719,385)	(524,959)	(205,494)	(252)	(347,328)
	(49,107,725)	(31,229,841)	(3,962,312)	(4,935,730)	(15,854)	(8,963,988)
Participatory investment accounts	(103,299,319)	(48,252,892)	(34,951,479)	(19,386,537)	-	(708,411)
Consolidated statement of financial position items	25,353,578	15,051,428	(24,379,132)	23,034,700	13,009,844	(1,363,262)
Other undertakings and commitments	-	2,322,756	(501,643)	(1,821,113)	-	-
<b>Profit Rate Sensitivity Gap</b>	<b>25,353,578</b>	<b>17,374,184</b>	<b>(24,880,775)</b>	<b>21,213,587</b>	<b>13,009,844</b>	<b>(1,363,262)</b>
<b>Cumulative Profit Rate Sensitivity Gap</b>	<b>25,353,578</b>	<b>17,374,184</b>	<b>(7,506,591)</b>	<b>13,706,996</b>	<b>26,716,840</b>	<b>25,353,578</b>

QAR '000s

## 4. FINANCIAL RISK MANAGEMENT (continued)

### 4.3 Market risk (continued)

#### 4.3.2 Exposure to profit rate risk (continued)

	2024	Re-pricing in:					Effective profit rate
		Carrying amount	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	
Cash and balances with central banks		5,671,858	26,000	-	-	-	5,645,858
Due from banks		5,164,680	4,462,407	107,883	-	-	594,390
Financing assets		110,039,563	76,232,433	13,676,719	8,349,786	8,532,961	3,247,664
Investment securities		43,767,223	3,681,965	7,306,089	30,072,861	2,011,216	695,092
Assets held by non-Shari'a-compliant subsidiary		3,040,007	1,171,718	487,839	1,089,524	212,925	78,001
		<u>167,683,331</u>	<u>85,574,523</u>	<u>21,578,530</u>	<u>39,512,171</u>	<u>10,757,102</u>	<u>10,261,005</u>
Due to banks		(23,756,860)	(21,542,499)	(977,008)	(724,262)	-	(513,091)
Customer current accounts		(7,030,727)	-	-	-	-	(7,030,727)
Sukuk and debt financing		(3,293,405)	(569,275)	(2,693,136)	-	-	(30,994)
Other borrowings		(6,378,259)	(4,546,002)	-	(1,815,707)	-	(16,550)
Liabilities of a non-Shari'a-compliant subsidiary		(2,050,174)	(1,436,129)	(200,594)	-	-	(413,451)
		<u>(42,509,425)</u>	<u>(28,093,905)</u>	<u>(3,870,738)</u>	<u>(2,539,969)</u>	<u>-</u>	<u>(8,004,813)</u>
Participatory investment accounts		(100,579,622)	(50,457,224)	(30,368,915)	(19,079,248)	-	(674,235)
Consolidated statement of financial position items		24,594,284	7,023,394	(12,661,123)	17,892,954	10,757,102	1,581,957
Other undertakings and commitments		-	3,547,621	(760,939)	(1,998,714)	(787,968)	-
Profit Rate Sensitivity Gap		<u>24,594,284</u>	<u>10,571,015</u>	<u>(13,422,062)</u>	<u>15,894,240</u>	<u>9,969,134</u>	<u>1,581,957</u>
Cumulative Profit Rate Sensitivity Gap		<u>24,594,284</u>	<u>10,571,015</u>	<u>(2,851,047)</u>	<u>13,043,193</u>	<u>23,012,327</u>	<u>24,594,284</u>

QAR '000s

## Sensitivity analysis

The management of profit rate risk against profit rate gap limits is supplemented by monitoring the sensitivity of the Group's financial assets and liabilities to various standard and non-standard profit rate scenarios. Standard scenarios that are considered include a 100 basis point (bp) parallel fall or rise in all yield curves. An analysis of the Group's sensitivity to an increase or decrease in market profit rates, assuming no asymmetrical movement in yield curves and a constant financial position, is as follows:

	<i>QAR '000s</i>	
	<b>100 bp parallel increase</b>	<b>100 bp parallel decrease</b>
<b>Sensitivity of net profit</b>		
<b>2025</b>		
As at 31 December	<b>58,721</b>	<b>(58,721)</b>
2024		
As at 31 December	68,414	(68,414)

Overall profit rate risk positions are managed by Group Central Treasury, which uses financial investments, advances to banks, deposits from banks and Shari'a-compliant risk management instruments to manage the overall position arising from the Group's activities.

### 4.3.3 Exposure to other market risks

#### Foreign currency transactions

Currency risk is the risk that the value of a financial instrument will fluctuate due to a change in foreign exchange rates. The Group is exposed to the risk from fluctuation in prevailing foreign currency exchange rates on its financial position.

	<i>QAR '000s</i>	
	<b>2025</b>	<b>2024</b>
Net foreign currency exposure:		
EUR	<b>(248)</b>	(1,229)
GBP	<b>(10)</b>	607
Others	<b>101,611</b>	33,451

The table above does not include currencies that are pegged against the USD.

The table below indicates the effect of a reasonably possible movement of the currency rate against the QAR on the consolidated statement of income, with all other variables held constant:

	<i>QAR '000s</i>	
	<b>Increase / (decrease) in profit or loss</b>	
	<b>2025</b>	<b>2024</b>
5% increase / (decrease) in currency exchange rate		
EUR	<b>(12)</b>	(61)
GBP	<b>-</b>	30
Others	<b>5,081</b>	1,673

The table above does not include currencies that are pegged against the QAR.

## 4. FINANCIAL RISK MANAGEMENT (continued)

### 4.3 Market risk (continued)

#### 4.3.2 Exposure to profit rate risk (continued)

##### Equity price risk

Equity price risk is the risk that the fair value of equities decreases as a result of changes in the level of equity indices and individual stocks. The equity price risk exposure arises from equity securities classified as investments at FVOCI.

The Group is also exposed to equity price risk and the sensitivity analysis thereof is as follows:

	2025	QAR '000s 2024
5% increase / (decrease) in Qatar Stock Exchange		
Increase / (decrease) in equity	8,214	8,430

The above analysis has been prepared on the assumption that all other variables such as profit rate, foreign exchange rate, etc are held constant and is based on historical correlation of the equity securities to the relevant index. Actual movement may be different from the one stated above.

### 4.4 Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its obligations when they fall due as a result of e.g. customer deposits being withdrawn, cash requirements from contractual commitments, or other cash outflows, such as debt maturities or margin calls for Shari'a-compliant risk management instruments etc. Such outflows would deplete available cash resources for client financing, trading activities and investments. In extreme circumstances, lack of liquidity could result in reductions in the consolidated statement of financial position and sales of assets, or potentially an inability to fulfil financing commitments. The risk that the Group will be unable to do so is inherent in all banking operations and can be affected by a range of institution-specific and market-wide events including, but not limited to, credit events, merger and acquisition activity, systemic shocks and natural disasters.

#### 4.4.1 Management of liquidity risk

The Group maintains a portfolio of high-quality liquid assets, largely made up of QCB Sukuk, short-term liquid trading investments, and inter-bank placements in addition to maintaining the statutory reserves with QCB and other regulators. The Market Risk Department monitors the liquidity risk of the Bank on daily basis and is responsible for the development of detailed liquidity risk management policies (subject to review and approval by GALCCO/Board of Directors).

#### 4.4.2 Maturity analysis

The following table sets out the maturity profile of the Group's assets and liabilities. The contractual maturities of assets and liabilities have been determined on the basis of the remaining period as at 31 December to the contractual maturity date and do not take account of the effective maturities as indicated by the Group's deposit retention history and the availability of liquid funds. Management monitors the maturity profile to ensure that adequate liquidity is maintained.

QAR '000s

2025	Carrying amount	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Over 5 years
Cash and balances with central banks	5,878,930	531,722	-	-	-	5,347,208
Due from banks	4,816,232	3,667,128	2,892	201,501	944,711	-
Financing assets	118,188,326	2,151,759	1,029,281	7,316,333	46,805,529	60,885,424
Investment securities	45,919,939	7,771,259	10,916,573	26,275,387	654,355	302,365
Other assets	2,959,920	419,496	460,951	294,215	1,505,845	279,413
<b>Total financial assets</b>	<b>177,763,347</b>	<b>14,541,364</b>	<b>12,409,697</b>	<b>34,087,436</b>	<b>49,910,440</b>	<b>66,814,410</b>
Due to banks	28,382,617	21,834,999	3,406,141	2,769,572	368,531	3,374
Customer current accounts	7,839,029	7,839,029	-	-	-	-
Sukuk financing	3,322,629	-	1,021,587	8,714	2,292,328	-
Other borrowings	7,766,032	3,793	12,249	910,573	6,839,417	-
Financial liabilities of a non-Shari'a-compliant subsidiary	1,797,418	822,562	581,620	284,894	1,538	106,804
<b>Total financial liabilities</b>	<b>49,107,725</b>	<b>30,500,383</b>	<b>5,021,597</b>	<b>3,973,753</b>	<b>9,501,814</b>	<b>110,178</b>
Total quasi-equity	103,299,319	27,378,014	21,212,110	35,316,278	19,392,874	43
<b>Total financial liabilities and quasi-equity</b>	<b>152,407,044</b>	<b>57,878,397</b>	<b>26,233,707</b>	<b>39,290,031</b>	<b>28,894,688</b>	<b>110,221</b>
<b>Liquidity gap</b>	<b>25,356,303</b>	<b>(43,337,033)</b>	<b>(13,824,010)</b>	<b>(5,202,595)</b>	<b>21,015,752</b>	<b>66,704,189</b>

## 4. FINANCIAL RISK MANAGEMENT (continued)

### 4.4 Liquidity risk (continued)

#### 4.4.2 Maturity analysis (continued)

	Carrying amount	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Over 5 years	QAR '000s
2024							
Cash and balances with central banks	5,671,858	446,004	-	-	-	5,225,854	
Due from banks	5,164,680	4,512,933	2,239	361,802	287,706	-	
Financing assets	110,039,563	7,193,167	2,021,476	4,558,730	49,965,631	46,300,559	
Investment securities	43,767,223	1,810,561	2,155,766	7,424,143	30,072,891	2,303,862	
Other assets	3,043,915	823,862	316,041	490,155	1,118,212	295,645	
<b>Total financial assets</b>	<b>167,687,239</b>	<b>14,786,527</b>	<b>4,495,522</b>	<b>12,834,830</b>	<b>81,444,440</b>	<b>54,125,920</b>	
Due to banks	23,756,860	19,480,190	1,192,974	1,175,969	1,907,727	-	
Customer current accounts	7,030,727	7,030,727	-	-	-	-	
Sukuk and debt financing	3,293,405	-	600,268	2,693,137	-	-	
Other borrowings	6,378,259	6,702	373,564	364,050	5,633,943	-	
Financial liabilities of a non-Shari'a-compliant subsidiary	2,050,174	1,074,565	679,586	201,280	-	94,743	
<b>Total financial liabilities</b>	<b>42,509,425</b>	<b>27,592,184</b>	<b>2,846,392</b>	<b>4,434,436</b>	<b>7,541,670</b>	<b>94,743</b>	
<b>Total quasi-equity</b>	<b>100,579,622</b>	<b>32,690,769</b>	<b>18,056,523</b>	<b>30,737,756</b>	<b>19,094,574</b>	<b>-</b>	
<b>Total financial liabilities and quasi-equity</b>	<b>143,089,047</b>	<b>60,282,953</b>	<b>20,902,915</b>	<b>35,172,192</b>	<b>26,636,244</b>	<b>94,743</b>	
Liquidity gap	24,598,192	(45,496,426)	(16,407,393)	(22,337,362)	54,808,196	54,031,177	

#### 4.4.3 Maturity analysis (Financial liabilities and Shari'a-compliant risk management instruments)

The table below summarises the maturity profile of the Group's financial liabilities based on remaining contractual undiscounted repayment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Group expects that many customers will not request repayment on the earliest date the Group could be required to pay.

The Group maintains a portfolio of highly marketable, diverse and liquid assets in the event of an unforeseen interruption to cash flow. The Group maintains statutory reserves with QCB. Liquidity is assessed and managed using a variety of stressed scenarios applicable to the Group.

QAR '000s

2025	Carrying amount	Gross undiscounted	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years
Non-derivative liabilities							
Due to banks	28,382,617	28,507,396	21,884,188	3,435,587	2,808,846	378,775	-
Customer current accounts	7,839,029	7,839,029	7,839,029	-	-	-	-
Sukuk financing	3,322,629	3,838,117	35,610	1,065,080	94,354	2,643,073	-
Other borrowings	7,766,032	8,309,870	28,812	59,866	1,131,515	7,089,677	-
Other liabilities	4,848,682	4,848,682	3,654,436	581,620	284,894	212,144	115,588
<b>Total liabilities</b>	<b>52,158,989</b>	<b>53,343,094</b>	<b>33,442,075</b>	<b>5,142,153</b>	<b>4,319,609</b>	<b>10,323,669</b>	<b>115,588</b>
<b>Total quasi-equity</b>	<b>103,299,319</b>	<b>108,742,533</b>	<b>28,500,896</b>	<b>21,862,220</b>	<b>36,745,573</b>	<b>21,633,535</b>	<b>309</b>
<b>Shari'a-compliant risk management instruments</b>							
Risk management:							
Outflow	-	(12,887,262)	(2,306,576)	(2,143,943)	(2,623,312)	(5,510,081)	(303,350)
Inflow	-	12,887,262	2,306,576	2,143,943	2,623,312	5,510,081	303,350
	<b>155,458,308</b>	<b>162,085,627</b>	<b>61,942,971</b>	<b>27,004,373</b>	<b>41,065,182</b>	<b>31,957,204</b>	<b>115,897</b>

## 4. FINANCIAL RISK MANAGEMENT (continued)

### 4.4 Liquidity risk (continued)

#### 4.4.3 Maturity analysis (Financial liabilities and Shari'a-compliant risk management instruments) (continued)

	Carrying amount	Gross undiscounted cash flows	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	QAR '000s
2024								
Non-derivative liabilities								
Due to banks	23,756,860	24,588,471	19,593,169	1,342,992	1,324,566	2,327,744	-	
Customer current accounts	7,030,727	7,030,727	7,030,727	-	-	-	-	
Sukuk and debt financing	3,293,405	3,336,886	7,535	610,234	2,719,117	-	-	
Other borrowings	6,378,259	6,979,468	34,108	423,606	590,285	5,931,469	-	
Other liabilities	4,724,048	4,724,048	3,715,980	680,030	201,384	8,410	118,244	
Total liabilities	45,183,299	46,659,600	30,381,519	3,056,862	4,835,352	8,267,623	118,244	
Total quasi-equity	100,579,622	115,856,995	36,823,981	19,721,742	37,152,801	22,158,471	-	
Shari'a-compliant risk management instruments								
Risk management:								
Outflow	-	(14,540,739)	(5,252,570)	(1,573,489)	(2,735,480)	(3,854,502)	(1,124,698)	
Inflow	-	14,540,739	5,252,570	1,573,489	2,735,480	3,854,502	1,124,698	
	145,762,921	162,516,595	67,205,500	22,778,604	41,988,153	30,426,094	118,244	

## 4.5 Operational risk

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, human behaviour, systems or from external events and other risks having an operational risk impact which includes but is not limited to internal process risk, fraud risk, legal risk, regulatory risk, and external events risk. The Group seeks to minimise actual or potential losses from operational risk failure through a framework of policies and procedures that identify, assess, control, manage and report those risks. Operational risks are managed at Group level through a Board approved operational risk management framework in accordance with QCB instructions and Basel III guidelines. This Operational Risk Management Framework layout the foundation for the following:

- Highlights the Group’s commitment to improve its capability to manage risks.
- Defines the Group’s overall strategy and approach to risk and risk management.
- Establish the Group’s risk language and risk appetite.
- Articulates clearly defined roles and responsibilities of the Board, management committees, business unit heads and employees.

### Risk governance

The responsibility for the overall risk management framework lies with the Board of Directors. The Board is responsible for setting the Group’s strategy and risk appetite, ensuring risk management is appropriate and functioning. To enable the Board to carry out its objectives, it has delegated authority for risk management activities, as well as governance and oversight of those activities, to a number of Board and executive management level risk committees.

In evaluating and responding to risk, the Operational Risk unit operates a three line of defense model. The first line of defense starts with business and support units who are responsible for managing operational risks within their respective functional areas. They operate within the Bank’s operational risk management framework and ensure that risk is being pro-actively identified, monitored, reported and managed within their scope of work. Risk and compliance acts as second line of defense in providing risk management expertise, and challenges managers and staff in their performance of risk management activities through independent reviews, monitoring and testing. While internal and sharia audit serves as third line of defense responsible for independently reviewing the effectiveness of the risk management structure and internal controls through periodic audits.

### Risk Management

The Operational Risk unit follows a five-step phase in managing risk consisting of risk planning, risk identification, risk assessment, risk mitigation and risk monitoring. Risk planning involves understanding the objectives of management and each business unit and designs risk management approach in order to address risks properly. Following risk planning, risks are identified through various methods such as risk workshops, incident reporting, policy review, risk control and self-assessment, findings from auditors, customer complaints and documents the risks that could keep the Group from reaching its objectives.

When identifying risks, the risks are classified based on Basel III categories, are further analysed for root cause and reported in the key risk indicators. Risks are evaluated and assessed by determining the criticality of each risks according to its likelihood (the extent on how likely the risk will happen) and impact. These risks are reduced to an acceptably low level by designing responses for each. This consists of defining the controls for those risks that we have identified, seeking to reduce the likelihood of their occurrence or at least reduce the impacts they may cause. Through the risk monitoring phase of the operational risk management process, the current risk level and the effectiveness of the risk management functions are monitored. Several available tools are used by Operational Risk unit to assist it in monitoring risks. These tools include risk control and self-assessments, incident management & loss recording, key risk indicator management, new product approval, policy and procedures review and training and awareness to build and promote risk awareness culture.

## 4. FINANCIAL RISK MANAGEMENT (continued)

### 4.5 Operational risk (continued)

#### Risk Management (continued)

Risk indicators, both qualitative and quantitative, as well as limits, are established to best monitor the operational risks through the business lines. For facilitating effective operational risk management, the Group utilizes a comprehensive operational risk management software consisting of several modules such as incident management, risk indicators, risk and control self-assessment and action plan tracker. The risk management software enables the Bank to build best practice by creating structured and automated risk management process, provide better management of risks and loss incidents, automate task deadline control and escalation process, deliver better reporting facility, comply with Basel III requirements and maintain comprehensive documentation of risks.

The Group has also recognized the need for having robust insurance policies to mitigate risks associated to the Bank's services such as but not limited to infidelity, forgery & alterations, cybercrime and damage to property.

Other risk functions, methodologies and tools like fraud unit, business resilience and continuity management program, cybersecurity and vendor risk assessments are also implemented by the Group to support the Operational Risk unit in risk management.

#### Risk reporting

In accordance with Qatar Central Bank's instructions, the Group has adopted the standardised approach of computing capital charge for Operational Risk.

Based on the monitoring and metrics used for each risk category defined in the risk appetite policy, the Operational Risk unit reports key risk indicators to the Group Risk Committee on a monthly basis and to the Group Compliance and Risk Committee on quarterly basis.

### 4.6 Capital management

#### Regulatory capital

The Group's policy is to maintain a strong capital base so as to ensure investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on equity holders' return is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year. The capital adequacy ratio of the Group is calculated in accordance with the Basel III Committee guidelines as adopted by the QCB.

Pursuant to the QCB Circular No. 33/2022 and with effective date of 1 January 2024, the Group adopted during the year the revised Basel III Framework and the Islamic Financial Services Board ("IFSB") 23 Standard in calculating its capital adequacy ratio.

### Regulatory capital (continued)

The Group's regulatory capital position under Basel III and QCB regulations as at 31 December was as follows:

	QAR '000s	
	2025	2024
	Basel III	Basel III
Common Equity Tier 1 (CET 1) capital	22,302,461	21,827,526
Additional Tier 1 capital	1,035,014	1,030,586
Tier 2 capital	1,130,936	1,154,763
<b>Total regulatory capital</b>	<b>24,468,411</b>	<b>24,012,875</b>
<b>Risk weighted assets</b>		
Risk weighted assets for credit risk	87,384,439	90,917,596
Risk weighted assets for market risk	4,229,101	3,959,994
Risk weighted assets for operational risk	5,045,755	5,527,937
<b>Total risk weighted assets</b>	<b>96,659,295</b>	<b>100,405,527</b>

CET 1 ratio without capital conservation buffer but including DSIB <sup>1</sup> buffer	CET 1 ratio including capital conservation buffer and DSIB <sup>1</sup> buffer	Tier 1 capital ratio including capital conservation buffer and DSIB <sup>1</sup> buffer	Total capital including capital conservation buffer and DSIB <sup>1</sup> buffer	Total capital including conservation buffer, DSIB <sup>1</sup> buffer and ICAAP Pillar II capital charge
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2025					
Actual	23.07%	23.07%	24.14%	25.31%	25.31%
Minimum QCB limit	7.00%	9.50%	11.50%	13.50%	17.40%

2024					
Actual	21.74%	21.74%	22.77%	23.92%	23.92%
Minimum QCB limit	6.50%	9.00%	11.00%	13.00%	15.73%

<sup>1</sup> Domestic Systemically Important Bank

## 5. USE OF ESTIMATES AND JUDGMENTS

### Key sources of estimation uncertainty

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 that are believed to be reasonable under the circumstances.

#### (i) *Impairment losses on financial assets:*

The measurement of impairment losses under FAS 30 across all categories of financial assets in scope requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk.

These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's internal credit grading model, which assigns PDs to the individual grades;
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulas and the choice of inputs;
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs; and
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

Detailed information about the judgements and estimates made by the Group in the above areas is set out in Note 4.2.10 "Inputs, assumptions and techniques used for estimating impairment".

#### (ii) *Impairment of non-financial assets*

The carrying amounts of the non-financial assets are reviewed at least on an annual basis to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit (CGU), including the goodwill, exceeds its recoverable amount. The recoverable amount of an asset or cash-generating unit is the greater of its value in use (VIU) and its fair value less costs of disposal (FVLCD).

The carrying amount of a CGU is derived using a capital allocation model where the Group's core equity capital is allocated to the CGUs. The Group determines the recoverable amounts of its CGUs based on VIU calculations, which reflect the specifics of the banking business and its regulatory environment. These calculations employ a discounted cash flow (DCF) model, by using cash flow projections based on financial budgets approved by management covering a five-year period.

The Group's VIU model for the CGUs includes significant judgement and assumptions relating to cashflow projections, terminal growth rate and discount rate, and is highly sensitive to the changes in these assumptions. The assumptions used for VIU calculation is disclosed in Note 14.

*(iii) Useful life of intangible assets*

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets carried on the reporting date that have a finite useful life are disclosed in Note 14.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of income in the expense category that is consistent with the function of the intangible assets.

*(iv) Determining fair values*

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in significant accounting policies (financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument).

*(v) Pillar Two Global Minimum Tax*

The Organisation for Economic Co operation and Development (“OECD”)’s Pillar Two framework introduces a global minimum tax regime that is complex and subject to significant judgement. Management has exercised judgement in assessing the extent to which the Bank is impacted by these rules, identifying relevant constituent entities, and determining the appropriate approach to the calculation of effective tax rates and the availability of applicable exemptions or transitional reliefs.

The application of Pillar Two is dependent on the enactment and implementation of local legislation in the jurisdictions in which the Bank operates, together with ongoing developments in administrative guidance. As a result, there is inherent uncertainty in the assumptions and estimates applied. Management will continue to monitor legislative developments and guidance and will update its assessment and related disclosures as further clarity becomes available.

## 6. OPERATING SEGMENTS

The Group has five reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately based on the Group's management and internal reporting structure. For each of the strategic divisions, the Group Executive Management Committee reviews internal reports periodically. The following summary describes the operations in each of the Group's reportable segments.

- Corporate Banking provides an extensive range of Islamic funded and non-funded credit facilities, deposit services, investment advisory, currency exchange facilities, profit rate swaps, financing syndication and other services to Corporate, Commercial and Multinational Customers.
- Retail Banking provides investment accounts services, credit card and Islamic financing to retail and individual customers.
- Treasury and Financial Institutions undertake the Group's funding and centralised risk management activities through borrowings, sukuk and debt financing, use of Shari'a compliant instruments for risk management purposes and investing in liquid assets such as short-term placements and corporate and government debt securities.
- Asset Management performs the following functions: (a) provide customised investment solutions (with expertise across equities & fixed income investments) to institutional and High Net Worth investors in line with investors' specific needs and risk parameters, (b) manage mutual funds and exchange traded fund, and (c) provide financial and strategic advisory services.
- International Operations includes financing assets, deposits and other products and services with corporate and individual customers in the Group's international locations.

Unallocated assets, liabilities, revenues and expenses are related to some central functions and non-core business operations, like common property & equipment, cash functions, development projects related payables etc.

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 profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information about operating segments

QAR '000s

2025	Corporate Banking	Retail Banking	Treasury and Financial Institutions	Asset Management	International Operations	Unallocated	Total
<i>External revenue:</i>							
Income from financing and investing activities, net of finance expense	3,960,780	1,413,578	676,867	23,800	783,013	-	6,858,038
Net fee and commission income	169,404	152,417	68,458	38,112	(390)	-	428,001
Foreign exchange gain (net)	-	-	157,694	10	188	-	157,892
Share of results of associates	-	-	-	-	-	35,786	35,786
Other income	51,440	305,811	-	-	871	8,428	366,550
Total segment income, net of finance expense	4,181,624	1,871,806	903,019	61,922	783,682	44,214	7,846,267
Net profit attributable to quasi-equity	(1,962,575)	(932,667)	(1,130,068)	-	(470,459)	-	(4,495,769)
Net impairment losses on financing assets	(569,296)	(228,182)	-	-	(20,401)	-	(817,879)
Net impairment reversals on investment securities	-	-	8,013	615	-	-	8,628
Net impairment (losses) / reversals on other exposures subject to credit risk	(9,695)	(279)	1,418	-	-	-	(8,556)
Staff costs, depreciation and amortisation and other expenses	(336,405)	(313,441)	(103,653)	(17,028)	(180,147)	-	(950,674)
Intersegment (cost) / income	(858,836)	323,384	535,452	-	-	-	-
Reportable segment profit before tax	444,817	720,621	214,181	45,509	112,675	44,214	1,582,017
Reportable segment assets	80,800,430	25,263,660	47,409,717	457,023	18,229,877	9,097,340	181,258,047
Reportable segment liabilities	4,453,698	2,644,374	38,240,654	17,966	3,955,966	2,846,331	52,158,989
Reportable segment quasi-equity	40,350,940	25,228,469	25,711,395	-	12,008,515	-	103,299,319

## 6. OPERATING SEGMENTS (continued)

Information about operating segments (continued)

2024	QAR '000s						
	Corporate Banking	Retail Banking	Treasury and Financial Institutions	Asset Management	International Operations	Unallocated	Total
<i>External revenue:</i>							
Income from financing and investing activities, net of finance expense	4,858,963	1,744,869	483,949	17,285	744,499	-	7,849,565
Net fee and commission income	156,084	81,601	20,608	40,538	-	-	298,831
Foreign exchange gain (net)	-	-	189,844	1	(233)	-	189,612
Share of results of associates	-	-	-	-	-	62,234	62,234
Loss on sale of an associate	-	-	-	-	-	(10,515)	(10,515)
Other income	21,880	50,000	-	2,180	852	16,369	91,281
Total segment income, net of finance expense	5,036,927	1,876,470	694,401	60,004	745,118	68,088	8,481,008
Net profit attributable to quasi-equity	(2,190,428)	(1,083,082)	(1,228,361)	-	(457,634)	-	(4,959,505)
Net impairment losses on financing assets	(625,119)	(403,879)	-	-	(14,391)	-	(1,043,389)
Net impairment reversals / (losses) on investment securities	-	-	9,252	(635)	-	-	8,617
Net impairment reversals / (losses) on other exposures subject to credit risk	2,775	(68)	(8,707)	(360)	-	-	(6,360)
Staff costs, depreciation and amortisation and other expenses	(328,102)	(304,578)	(99,819)	(15,593)	(171,089)	(949)	(920,130)
Intersegment (cost) / income	(1,109,846)	322,439	787,407	-	-	-	-
Reportable segment profit before tax	786,207	407,302	154,173	43,416	102,004	67,139	1,560,241
Reportable segment assets	74,867,335	25,551,364	45,960,612	343,724	15,519,856	8,850,886	171,093,777
Reportable segment liabilities	3,679,819	2,530,697	32,854,225	16,240	3,627,624	2,474,694	45,183,299
Reportable segment quasi-equity	41,246,036	25,541,958	23,519,219	-	10,272,409	-	100,579,622

## 7. FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS

The table below sets out the carrying amounts and fair values of the Group's financial assets and financial liabilities:

	QAR '000s				
	<i>Fair value through income statement</i>	<i>Fair value through other comprehensive income</i>	<i>Amortised cost</i>	<i>Total carrying amount</i>	<i>Fair value</i>
<b>2025</b>					
Cash and balances with central banks	-	-	5,878,930	5,878,930	5,878,930
Due from banks	-	-	4,816,232	4,816,232	4,816,232
Financing assets	-	-	118,188,326	118,188,326	118,188,326
Investment securities:					
- Measured at fair value	309,532	842,589	-	1,152,121	1,152,121
- Measured at amortised cost	-	-	44,767,818	44,767,818	45,045,245
Financial assets held by a non-Shari'a-compliant subsidiary	-	-	2,930,586	2,930,586	2,943,454
Other assets	-	-	2,725	2,725	2,725
Shari'a-compliant risk management instruments	298,459	-	-	298,459	298,459
	<u>607,991</u>	<u>842,589</u>	<u>176,584,617</u>	<u>178,035,197</u>	<u>178,325,492</u>
Due to banks	-	-	28,382,617	28,382,617	28,382,617
Customer current accounts	-	-	7,839,029	7,839,029	7,839,029
Sukuk financing	-	-	3,322,629	3,322,629	3,109,095
Other borrowings	-	-	7,766,032	7,766,032	7,766,032
Financial liabilities of a non-Shari'a-compliant subsidiary	-	-	1,819,582	1,819,582	1,819,582
Other liabilities	-	-	1,486,583	1,486,583	1,486,583
Participatory investment accounts	-	-	103,299,319	103,299,319	103,299,319
Shari'a-compliant risk management instruments	83,700	-	-	83,700	83,700
	<u>83,700</u>	<u>-</u>	<u>153,915,791</u>	<u>153,999,491</u>	<u>153,785,957</u>

## 7. FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (continued)

	QAR '000s				
	<i>Fair value through income state- ment</i>	<i>Fair value through other comprehen- sive income</i>	<i>Amortised cost</i>	<i>Total carrying amount</i>	<i>Fair value</i>
2024					
Cash and balances with central banks	-	-	5,671,858	5,671,858	5,671,858
Due from banks	-	-	5,164,680	5,164,680	5,164,680
Financing assets	-	-	110,039,563	110,039,563	110,039,563
Investment securities:					
- Measured at fair value	285,143	555,386	-	840,529	840,529
- Measured at amortised cost	-	-	42,926,694	42,926,694	42,831,755
Financial assets held by a non-Shari'a-compliant subsidiary	-	72,714	2,940,698	3,013,412	2,900,011
Other assets	-	-	3,413	3,413	3,413
Shari'a-compliant risk management instruments	371,095	-	-	371,095	371,095
	<u>656,238</u>	<u>628,100</u>	<u>166,746,906</u>	<u>168,031,244</u>	<u>167,822,904</u>
Due to banks	-	-	23,756,860	23,756,860	23,756,860
Customer current accounts	-	-	7,030,727	7,030,727	7,030,727
Sukuk and debt financing	-	-	3,293,405	3,293,405	3,241,249
Other borrowings	-	-	6,378,259	6,378,259	6,378,259
Financial liabilities of a non-Shari'a-compliant subsidiary	-	-	2,112,567	2,112,567	2,112,567
Other liabilities	-	-	1,062,222	1,062,222	1,062,222
Participatory investment accounts	-	-	100,579,622	100,579,622	100,579,622
Shari'a-compliant risk management instruments	353,645	-	-	353,645	353,645
	<u>353,645</u>	<u>-</u>	<u>144,213,662</u>	<u>144,567,307</u>	<u>144,515,151</u>

### (i) Valuation of financial instruments

The Group's accounting policy on fair value measurements is discussed in the significant accounting policies section. The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using valuation techniques.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark profit rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date, which would have been determined by market participants acting at arm's length.

(ii) *Financial asset and liability classification*

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	QAR '000s			
	Level 1	Level 2	Level 3	Total
<b>2025</b>				
<b>Financial assets</b>				
Shari'a-compliant risk management instruments	-	298,459	-	298,459
Investment securities	962,861	189,260	-	1,152,121
	<u>962,861</u>	<u>487,719</u>	-	<u>1,450,580</u>
<b>Financial liabilities</b>				
Shari'a-compliant risk management instruments	-	83,700	-	83,700
	<u>-</u>	<u>83,700</u>	-	<u>83,700</u>

	QAR '000s			
	Level 1	Level 2	Level 3	Total
2024				
<b>Financial assets</b>				
Shari'a-compliant risk management instruments	-	371,095	-	371,095
Investment securities	641,369	199,160	-	840,529
Assets held by non-Shari'a-compliant subsidiary	72,714	-	-	72,714
	<u>714,083</u>	<u>570,255</u>	-	<u>1,284,338</u>
<b>Financial liabilities</b>				
Shari'a-compliant risk management instruments	-	353,645	-	353,645
	<u>-</u>	<u>353,645</u>	-	<u>353,645</u>

The fair values of financial assets and financial liabilities carried at amortised cost approximate the carrying value, hence, not included in the fair value hierarchy table, except for certain investment securities for which the fair value amounts to QAR 45,045 million (2024: QAR 42,832 million) which is derived using Levels 1 and 2 fair value hierarchies.

During the reporting periods 31 December 2025 and 2024, there were no transfers among Levels 1, 2 and 3 fair value measurements.

## 8. CASH AND BALANCES WITH CENTRAL BANKS

	QAR '000s	
	2025	2024
Cash on hand	469,623	392,584
Cash reserve with QCB*	5,347,208	5,225,856
Current account and placements with QCB	62,099	53,415
Accrued profit	-	3
	<b>5,878,930</b>	<b>5,671,858</b>

\* The cash reserve with QCB represents a mandatory reserve not available for the daily operations of the Group.

## 9. DUE FROM BANKS

	QAR '000s	
	2025	2024
Current accounts	780,925	927,121
Wakala placements with banks	2,153,174	1,431,134
Commodity murabaha receivable	1,508,600	2,809,013
Reverse repurchase agreements	362,877	-
Accrued profit	12,830	4,141
Allowance for impairment*	(2,174)	(6,729)
	<b>4,816,232</b>	<b>5,164,680</b>

\* For stage-wise exposure and allowance for impairment, refer to Note 4.2.5.

## 10. FINANCING ASSETS

	QAR '000s	
	2025	2024
<b>(a) By type</b>		
Murabaha	100,972,189	85,909,985
Ijarah Muntahia Bittamleek	28,623,062	31,378,647
Istisna'a	304,051	86,000
Musharaka	3,893,859	4,097,921
Others	270,495	300,585
Accrued profit	1,834,622	1,705,777
Total financing assets	<b>135,898,278</b>	<b>123,478,915</b>
Deferred profit	(12,270,327)	(8,685,802)
Allowance for impairment - Performing (Stages 1 and 2)*	(1,151,253)	(855,322)
Allowance for impairment - Non-performing (Stage3)*	(3,863,430)	(3,508,014)
Profit in suspense*	(424,942)	(390,214)
<b>Net financing assets</b>	<b>118,188,326</b>	<b>110,039,563</b>

\* For stage-wise exposure and allowance for impairment, refer to Note 4.2.5.

The total non-performing financing assets net of deferred profit as at 31 December 2025 amounted to QAR 6,320 million representing 5.11% of the gross financing assets net of deferred profit (2024: QAR 6,253 million, representing 5.45% of the gross financing assets net of deferred profit).

**(b) Movement in the allowance for impairment and profit in suspense on financing assets**

	<i>QAR '000s</i>		
	<i>2025</i>	<i>Profit in suspense</i>	<i>Total 2025</i>
Balance as at 1 January	4,363,336	390,214	4,753,550
Charge for the year	1,149,592	59,029	1,208,621
Recoveries / reversals during the year	(331,713)	(17,735)	(349,448)
Write-off during the year	(169,460)	(6,566)	(176,026)
Effect of foreign currency movement	2,928	-	2,928
Balance as at 31 December	<u>5,014,683</u>	<u>424,942</u>	<u>5,439,625</u>

	<i>QAR '000s</i>		
	<i>2024</i>	<i>Profit in suspense</i>	<i>Total 2024</i>
Balance as at 1 January	3,852,479	428,991	4,281,470
Charge for the year	1,292,495	121,951	1,414,446
Recoveries / reversals during the year	(249,106)	(8,302)	(257,408)
Write-off during the year	(530,687)	(152,426)	(683,113)
Effect of foreign currency movement	(1,845)	-	(1,845)
Balance as at 31 December	<u>4,363,336</u>	<u>390,214</u>	<u>4,753,550</u>

## 10. FINANCING ASSETS (continued)

### (c) Movement in the allowance for impairment (including profit in suspense) on financing assets sector-wise

	QAR '000s														
	Corporate			SME			Retail			Real estate			Total		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Balance as at 1 January 2025	28,254	4,11,564	1,369,836	35	3,560	23,501	14,984	18,516	104,733	11,102	370,256	2,397,209	54,375	803,896	3,895,279
Net Charge / (reversal) for the year	6,067	4,585	354,552	82	(817)	(1,757)	(2,422)	(3,356)	1,022	(6,137)	294,810	212,544	(2,410)	295,222	566,361
Write-off during the year	-	-	(140,238)	-	-	(156)	-	-	(546)	-	-	(35,086)	-	-	(176,026)
Effect of foreign currency movement	-	-	-	-	-	-	137	33	2,758	-	-	-	137	33	2,758
Balance as at 31 December 2025	34,321	4,16,149	1,584,150	117	2,743	21,588	12,699	15,193	107,967	4,965	665,066	2,574,667	52,102	1,099,151	4,288,372
	QAR '000s														
	Corporate			SME			Retail			Real estate			Total		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Balance as at 1 January 2024	13,736	4,23,966	1,195,223	3,737	32,523	9,365	16,966	33,316	361,027	12,939	100,155	2,078,517	47,378	589,960	3,644,132
Net Charge / (reversal) for the year	14,518	(12,402)	312,508	(3,702)	(28,963)	14,795	(1,966)	(14,792)	20,304	(1,837)	270,101	588,474	7,013	213,944	936,081
Write-off during the year	-	-	(137,895)	-	-	(659)	-	-	(274,777)	-	-	(269,782)	-	-	(683,113)
Effect of foreign currency movement	-	-	-	-	-	-	(16)	(8)	(1,821)	-	-	-	(16)	(8)	(1,821)
Balance as at 31 December 2024	28,254	4,11,564	1,369,836	35	3,560	23,501	14,984	18,516	104,733	11,102	370,256	2,397,209	54,375	803,896	3,895,279

**(d) By sector**

	QAR '000s					
	<i>Murabaha</i>	<i>Ijarah Muntahia Bittamleek</i>	<i>Istisna'a</i>	<i>Musharaka</i>	<i>Others</i>	<i>Total 2025</i>
Government and related agencies	61,630,142	5,234,566	209,016	-	2,137	67,075,861
Non-banking financial institutions	432,730	70,468	-	-	228	503,426
Industry	78,208	768,088	-	-	71	846,367
Commercial	11,555,393	1,544,058	-	11,062	42,933	13,153,446
Services	13,537,040	2,434,789	-	-	56,947	16,028,776
Contracting	3,691,586	323,643	-	-	35,809	4,051,038
Real estate	4,995,132	18,858,486	95,423	88,991	2,182	24,040,214
Personal	5,169,030	1,083,352	-	3,797,907	148,861	10,199,150
	<b>101,089,261</b>	<b>30,317,450</b>	<b>304,439</b>	<b>3,897,960</b>	<b>289,168</b>	<b>135,898,278</b>
Less: Deferred profit						(12,270,327)
Allowance for impairment - Performing (Stages 1 and 2)						(1,151,253)
Allowance for impairment - Non-performing (Stage 3)						(3,863,430)
Profit in suspense						(424,942)
						<b>118,188,326</b>

	QAR '000s					
	<i>Murabaha</i>	<i>Ijarah Muntahia Bittamleek</i>	<i>Istisna'a</i>	<i>Musharaka</i>	<i>Others</i>	<i>Total 2024</i>
Government and related agencies	53,196,386	6,007,263	-	-	162	59,203,811
Non-banking financial institutions	351,973	71,821	-	-	-	423,794
Industry	120,480	971,799	-	-	-	1,092,279
Commercial	9,433,303	2,660,537	-	12,685	39,755	12,146,280
Services	10,843,502	2,424,038	-	-	29,307	13,296,847
Contracting	2,478,299	9,990	-	-	65,654	2,553,943
Real estate	4,964,979	19,398,721	86,430	55,111	2,170	24,507,411
Personal	4,620,987	1,405,744	-	4,031,326	196,493	10,254,550
	<b>86,009,909</b>	<b>32,949,913</b>	<b>86,430</b>	<b>4,099,122</b>	<b>333,541</b>	<b>123,478,915</b>
Less: Deferred profit						(8,685,802)
Allowance for impairment - Performing (Stages 1 and 2)						(855,322)
Allowance for impairment - Non-performing (Stage 3)						(3,508,014)
Profit in suspense						(390,214)
						<b>110,039,563</b>

## 11. INVESTMENT SECURITIES

	QAR '000s					
	2025		2024			
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
<i>Debt-type investments classified at fair value through income statement</i>						
Fixed profit rate	229,738	73,000	302,738	205,568	73,000	278,568
Accrued profit	4,683	2,111	6,794	4,464	2,111	6,575
	<b>234,421</b>	<b>75,111</b>	<b>309,532</b>	<b>210,032</b>	<b>75,111</b>	<b>285,143</b>
<i>Debt-type investments classified at amortised cost</i>						
Fixed profit rate	6,758,280	78,142	6,836,422	5,881,177	78,142	5,959,319
Floating profit rate	-	-	-	481,711	-	481,711
Government of Qatar	4,681,158	32,889,713	37,570,871	2,223,395	33,941,426	36,164,821
Accrued profit	134,093	288,576	422,669	98,698	292,910	391,608
Allowance for impairment	(8,026)	(54,118)	(62,144)	(16,715)	(54,050)	(70,765)
	<b>11,565,505</b>	<b>33,202,313</b>	<b>44,767,818</b>	<b>8,668,266</b>	<b>34,258,428</b>	<b>42,926,694</b>
<i>Equity-type investments classified as fair value through other comprehensive income</i>						
Equity-type investments	542,719	114,149	656,868	427,075	124,049	551,124
Accrued profit	6,160	-	6,160	4,262	-	4,262
	<b>548,879</b>	<b>114,149</b>	<b>663,028</b>	<b>431,337</b>	<b>124,049</b>	<b>555,386</b>
<i>Debt-type investments classified as fair value through other comprehensive income</i>						
Government of Qatar	176,838	-	176,838	-	-	-
Accrued profit	2,723	-	2,723	-	-	-
	<b>179,561</b>	<b>-</b>	<b>179,561</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>12,528,366</b>	<b>33,391,573</b>	<b>45,919,939</b>	<b>9,309,635</b>	<b>34,457,588</b>	<b>43,767,223</b>

1 Investments in debt-type instruments classified as amortised cost include bonds portfolio acquired by the Bank in a business combination. At the Merger date, the Bank sold the bonds portfolio to Lusail Limited.

2 For stage-wise exposure and allowance for impairment, refer to Note 4.2.5.

The cumulative change in the fair value of investment securities classified as FVOCI during the year is as follows:

	QAR '000s	
	2025	2024
<b>Positive fair value reserve:</b>		
Balance as at 1 January	67,415	62,655
Net change in fair value	(4,246)	4,760
Balance as at 31 December	63,169	67,415
<b>Negative fair value reserve:</b>		
Balance as at 1 January	(14,089)	(16,910)
Net change in fair value	(5,515)	1,326
Transfer to retained earnings upon disposal	-	1,495
Balance as at 31 December	(19,604)	(14,089)
<b>Total fair value reserve as at 31 December</b>	<b>43,565</b>	<b>53,326</b>

## 12. INVESTMENT IN ASSOCIATES

Movement in investment in associates during the year is as follows:

	QAR '000s	
	2025	2024
Balance as at 1 January	348,274	348,556
Share of results	35,786	62,234
Cash dividend received	(26,100)	(22,150)
Share of other comprehensive income	573	2,464
Disposals	-	(42,515)
Effect of foreign currency movement	276	(315)
Balance as at 31 December	358,809	348,274

The Group has the following investments in associates:

<b>Name of the associates</b>	<b>Country of incorporation</b>	<b>Company's activities</b>	<b>Ownership %</b>	
			2025	2024
National Real Estate Development and Investment SAOC ("NREDI")	Oman	Real estate services	21.48	21.48
Sahb Finance Company ("Sahb")	Saudi Arabia	Leasing	48.76	48.76
Damaan Islamic Insurance Company "Beema" (Q.P.S.C.) ("Beema") <sup>1</sup>	Qatar	Insurance	15.00	15.00
Linc Facility Services W.L.L. ("Linc")	Qatar	Facility management	33.50	33.50

## 12. INVESTMENT IN ASSOCIATES (continued)

The financial position, revenue and results of associates are as follows:

2025	<i>QAR '000s</i>				
	NREDI	Ci San	Sahb	Beema <sup>1</sup>	Linc
Total assets	158,315	-	386,051	1,608,435	226,318
Total liabilities and policyholders' surplus	18,562	-	9,672	1,003,254	63,670
Total revenue	6,512	-	11,517	178,973	254,548
Net profit	3,404	-	7,806	99,464	48,743
Share of profit recognised	731	-	3,806	14,920	16,329

2024	<i>QAR '000s</i>				
	NREDI	Ci San	Sahb	Beema <sup>1</sup>	Linc
Total assets	146,501	-	376,679	1,530,190	222,345
Total liabilities and policyholders' surplus	10,150	-	8,727	988,116	48,440
Total revenue	22,343	-	5,423	136,146	244,115
Net profit	19,145	-	54,777	77,511	60,554
Share of profit / (loss) recognised	3,969	(346)	26,708	11,627	20,276

The information disclosed above reflects the amounts presented in the financial statements of the relevant associates and not the Group's share of those amounts.

Reconciliation to carrying amounts:

	QAR '000s			
2025	NREDI	Sahb	Beema <sup>1</sup>	Linc
Opening net equity attributable to equity holders	136,351	367,953	542,074	173,905
Profit for the period	3,404	7,806	99,464	48,743
Other comprehensive income	-	54	3,643	-
Dividends paid	-	-	(40,000)	(60,000)
Effect of foreign currency movement	(2)	567	-	-
Closing net equity attributable to equity holders	139,753	376,380	605,181	162,648
Group's share in %	21.48%	48.76%	15.00%	33.50%
Group share in QAR'000s	30,022	183,523	90,777	54,487
<b>Carrying amount</b>	<b>30,022</b>	<b>183,523</b>	<b>90,777</b>	<b>54,487</b>

	QAR '000s			
2024	NREDI	Sahb	Beema <sup>1</sup>	Linc
Opening net equity attributable to equity holders	126,749	313,770	484,121	163,351
Profit for the period	19,145	54,777	77,511	60,554
Prior period adjustments	383	-	-	-
Other comprehensive income	-	(5)	16,442	-
Buy back of shares	(9,796)	-	-	-
Dividends paid	-	-	(36,000)	(50,000)
Effect of foreign currency movement	(130)	(589)	-	-
Closing net equity attributable to equity holders	136,351	367,953	542,074	173,905
Group's share in %	21.48%	48.76%	15.00%	33.50%
Group share in QAR'000s	29,290	179,414	81,311	58,259
<b>Carrying amount</b>	<b>29,290</b>	<b>179,414</b>	<b>81,311</b>	<b>58,259</b>

<sup>1</sup> The market price of Beema's share as at 31 December 2025 is QAR 4.348 per share (31 December 2024: QAR 3.954 per share).

## 13. PROPERTY AND EQUIPMENT

QAR '000s

	Land and buildings	Leasehold improvements	Furniture, fixtures and office equipment	Computer equipment	Vehicles	Right-of-use assets ('ROUAs')	Work in progress	Total
<b>Cost:</b>								
Balance as at 1 January 2025	560,096	107,744	199,389	426,421	2,095	39,041	419,169	1,753,955
Additions	-	162	3,521	35,688	-	9,022	55,708	104,101
Disposals, write-offs and ROUA re-assessments	(81)	-	(777)	(11,235)	-	(23,177)	(8,154)	(43,424)
Transfers	-	-	10,587	20,730	-	-	(31,317)	-
Effect of foreign currency movement	10,102	168	1,697	4,861	-	553	447	17,828
<b>Balance as at 31 December 2025</b>	<b>570,117</b>	<b>108,074</b>	<b>214,417</b>	<b>476,465</b>	<b>2,095</b>	<b>25,439</b>	<b>435,853</b>	<b>1,832,460</b>
<b>Accumulated depreciation:</b>								
Balance as at 1 January 2025	63,895	100,544	151,916	394,774	1,764	29,614	-	742,507
Depreciation for the year	8,229	1,550	13,262	28,347	210	8,204	-	59,802
Relating to disposals and write-offs	(81)	-	(777)	(11,235)	-	(23,177)	-	(35,270)
Effect of foreign currency movement	713	47	629	4,360	-	304	-	6,053
<b>Balance as at 31 December 2025</b>	<b>72,756</b>	<b>102,141</b>	<b>165,030</b>	<b>416,246</b>	<b>1,974</b>	<b>14,945</b>	<b>-</b>	<b>773,092</b>
<b>Carrying amount:</b>								
At 31 December 2025	497,361	5,933	49,387	60,219	121	10,494	435,853	1,059,368

QAR '000s

	Land and buildings	Leasehold improvements	Furniture, fixtures and office equipment	Computer equipment	Vehicles	Right-of-use assets ('ROUA')	Work in progress	Total
Cost:								
Balance as at 1 January 2024	562,557	115,304	189,003	401,613	2,095	42,940	356,374	1,669,886
Additions	-	476	7,938	13,847	-	2,851	103,690	128,802
Disposals, write-offs and ROUA re-assessments	-	(8,425)	(4,400)	(87)	-	(6,624)	(910)	(20,446)
Reclassifications	-	-	-	-	-	-	(20,069)	(20,069)
Transfers	-	495	7,197	12,149	-	-	(19,841)	-
Effect of foreign currency movement	(2,461)	(106)	(349)	(1,101)	-	(126)	(75)	(4,218)
Balance as at 31 December 2024	560,096	107,744	199,389	426,421	2,095	39,041	419,169	1,753,955
Accumulated depreciation:								
Balance as at 1 January 2024	52,647	105,782	139,744	375,710	1,554	25,878	-	701,315
Depreciation for the year	11,428	1,840	16,486	20,210	210	9,642	-	59,816
Relating to disposals and write-offs	-	(6,992)	(4,162)	(88)	-	(5,799)	-	(17,041)
Effect of foreign currency movement	(180)	(86)	(152)	(1,058)	-	(107)	-	(1,583)
Balance as at 31 December 2024	63,895	100,544	151,916	394,774	1,764	29,614	-	742,507
Carrying amount:								
At 31 December 2024	496,201	7,200	47,473	31,647	331	9,427	419,169	1,011,448

## 14. INTANGIBLE ASSETS

QAR '000s

	Goodwill	Other intangible assets			Total
		Customer relationships	Core deposits	License	
Cost or valuation:					
Balance as at 1 January 2025	877,486	649,567	223,471	51,369	1,801,893
Balance as at 31 December 2025	877,486	649,567	223,471	51,369	1,801,893
Accumulated amortisation:					
Balance as at 1 January 2025	-	250,354	68,904	31,677	350,935
Amortisation for the year	-	81,196	22,347	10,274	113,817
Balance as at 31 December 2025	-	331,550	91,251	41,951	464,752
Carrying amount:					
At 31 December 2025	877,486	318,017	132,220	9,418	1,337,141

QAR '000s

	Goodwill	Other intangible assets			Total
		Customer relationships	Core deposits	License	
Cost or valuation:					
Balance as at 1 January 2024	877,486	649,567	223,471	51,369	1,801,893
Balance as at 31 December 2024	877,486	649,567	223,471	51,369	1,801,893
Accumulated amortisation:					
Balance as at 1 January 2024	-	169,158	46,557	21,404	237,119
Amortisation for the year	-	81,196	22,347	10,273	113,816
Balance as at 31 December 2024	-	250,354	68,904	31,677	350,935
Carrying amount:					
At 31 December 2024	877,486	399,213	154,567	19,692	1,450,958

### Goodwill arising on the acquisition of Al Khalij's net assets

The goodwill arose on the Group's acquisition of Al Khalij's net assets. Based on the Purchase Price Allocation ("PPA") exercise performed by an external consultant following the merger, the Group recognised QAR 924,407 thousand as intangible assets and QAR 877,486 thousand as goodwill.

### Impairment assessment of goodwill

For the purpose of impairment testing, goodwill has been allocated to the Group's CGU's (operating segments) as follows:

	QAR '000s	
	2025	2024
Corporate banking	705,587	705,587
Retail banking	171,899	171,899
	<b>877,486</b>	<b>877,486</b>

The carrying amount of a CGU is derived using a capital allocation model where the Group's core equity capital is allocated to the CGUs. The Group determines the recoverable amounts of its CGUs based on VIU calculations and FVL COD. These methods reflect the specifics of the banking business and its regulatory environment.

#### *Key inputs for VIU calculation and impairment testing*

The VIU calculation used projected cash flows in perpetuity through a five-year forward period of projections, and thereafter applying a terminal growth rate.

*Assumptions used for VIU calculations to which the recoverable amount is most sensitive were:*

a) Terminal Growth rates

The terminal growth rate of 2.5% (2024: 2.5%) has been based on estimates provided by macro-economic research and analyst reports. The growth rates do not exceed the long-term average growth rate for the business sector of the economy in which the CGU operates.

b) Discount rates

Discount rates reflect management's estimate of required rate of return for each business. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals. Discount rates are calculated by using the Cost of Equity ("CoE") of 9.7% (2024: 9.9%).

The recoverable amounts of the CGU were higher than the carrying amounts. Consequently, no impairment was considered necessary as at the end of the reporting period.

#### *Significant change: impact of possible changes in key assumptions*

If the terminal growth rate used in calculating the VIUs decreased by 25 basis points or if the cost of equity increased by 25 basis points, with other variables held unchanged, the recoverable amounts of the CGU would still be higher than the respective carrying amount, hence, no impairment would be recognised in either scenario.

## 14. INTANGIBLE ASSETS (continued)

### Other intangible assets

The following approach was followed to estimate the fair value of identifiable intangibles:

Other intangible assets	Useful life	Valuation approach and methodologies
Customer relationships	8 years	<p>Customer relationship intangible assets represent the value attributable to the business expected to be generated from customers that existed as at the acquisition date.</p> <p>The income approach has been used in estimating the fair value of Al Khaliji's customer relationships as an intangible asset as at the effective date. The income approach values the customer relationship as the present value of the future earnings that it is expected to generate over its remaining useful economic life.</p> <p>Under the income approach, the Multi-period excess earnings method ("MPEEM") has been utilized which is a commonly accepted method for valuing customer relationships.</p> <p>MPEEM is a specific application of the discounted cash flow method where the value of an intangible asset is taken as the present value of the incremental (after-tax) cash flows attributable only to the subject intangible asset after deducting contributory asset charges ("CAC").</p> <p>The principle behind CAC is that an intangible asset "rents" or "leases" from a hypothetical third party all the assets it requires to produce the cash flows resulting from its development, that each project rents only those assets it needs (including element of goodwill) and not the ones that it does not need, and that each project pays the owner of the assets a fair return on (and of, when appropriate) the fair value of the rented assets.</p> <p>Thus, any net cash flows remaining after the CAC are attributable to the subject intangible asset being valued. The incremental after-tax cash flows attributable to the subject intangible asset are then discounted to their present value.</p>
Core deposits	10 years	<p>Core deposits acquired from Al Khaliji were identified as those customers holding current and savings accounts ("CASA"). The value of core deposit intangible asset arises from the fact that the deposit base of the Group represents a cheaper source of funding than wholesale or money market funding (alternative cost of funding).</p> <p>The incremental saving approach to valuation has been used in estimating the fair value of the core deposits as an intangible asset as at the effective date of the business combination. Under this method, the economic benefits earned from the core deposits have been computed over the life of the core deposits considering an attrition rate. The incremental savings approach values the core deposits as the present value of the future savings that are expected to be generated over its remaining useful economic life. The incremental savings method utilized is a commonly accepted method for valuing core deposits.</p>
License	5 years	<p>License intangible assets represent the value attributable from operating profit expected to be generated by the Group's subsidiary, Al Khaliji France S.A. from its operations in France and United Arab Emirates. The intangible asset was valued using the multi-period excess earnings method, a commonly applied methodology for valuing operating license.</p>

The Group estimates the useful life of the intangible assets as defined in the above table. However, the actual useful life may be shorter or longer than the indicated years. If the useful life increases / decreases by 10%, the carrying amount of the intangible assets would be QAR 1,354 million / QAR 1,313 million, respectively as at 31 December 2025 (2024: QAR 1,465 million / QAR 1,432 million, respectively).

## 15. OTHER ASSETS

	QAR '000s	
	2025	2024
Assets held by non-Shari'a-compliant subsidiary <sup>2</sup>	2,992,930	3,073,032
Positive fair value of Shari'a-compliant risk management instruments	298,459	371,095
Reposessed assets	277,625	50,000
Prepayments and other advances <sup>3</sup>	41,736	29,948
Deferred tax asset (Note 32)	8,370	11,535
Accrued income	2,725	3,413
Others	81,069	104,011
Allowance for impairment <sup>1</sup>	(3,612)	(3,261)
	<b>3,699,302</b>	<b>3,639,773</b>

<sup>1</sup> For stage-wise exposure and allowance for impairment, refer to Note 4.2.5.

<sup>2</sup> Assets held by non-Shari'a-compliant subsidiary consist of the following asset portfolio acquired by the Bank in a business combination:

	QAR '000s	
	2025	2024
Cash and balances with central banks	269,805	620,251
Due from banks	957,459	906,854
Loans and advances to customers	1,222,591	1,176,420
Investment securities	507,341	336,484
Property and equipment	8,062	6,051
Other assets	27,672	26,972
	<b>2,992,930</b>	<b>3,073,032</b>

<sup>3</sup> The outstanding amount of security deposit paid by the Group to the lessor as at 31 December 2025 amounted to QAR 1,267 thousand (2024: QAR 1,150 thousand).

## 16. DUE TO BANKS

	QAR '000s	
	2025	2024
Current and short-term investment accounts	461,656	402,869
Wakala payable	10,129,345	17,259,834
Repurchase agreements	16,187,795	5,036,914
Commodity murabaha payable	1,555,074	947,058
Profit payable to banks	48,747	110,185
	<b>28,382,617</b>	<b>23,756,860</b>

Wakala payable includes various facilities with maturities of less than one year and carries profit rates of 2.00% to 4.70% (2024: maturities of less than one year and carries profit rates of 4.25% to 6.78%).

The market value of securities given as collateral against the repurchase agreements are QAR 16,189 million (2024: QAR 5,367 million).

## 17. CUSTOMER CURRENT ACCOUNTS

	<i>QAR '000s</i>	
	<b>2025</b>	<u>2024</u>
By sector:		
Government and related agencies	<b>1,596,672</b>	916,156
Non-banking financial institutions	<b>57,564</b>	131,898
Corporate	<b>3,280,389</b>	3,380,911
Individuals	<b>2,904,404</b>	<u>2,601,762</u>
	<b>7,839,029</b>	<u>7,030,727</u>

## 18. SUKUK AND DEBT FINANCING

The Group has issued the following debt securities:

				<i>QAR '000s</i>
<b>Instrument</b>	<b>Issuer</b>	<b>Currency</b>	<b>Maturity date</b>	<b>2025</b>
Sukuk	MAR Finance L.L.C.	TRY	2-Mar-26	1,020,976
Sukuk	MAR Finance L.L.C.	SGD	18-Sep-27	106,909
Sukuk	MAR Finance L.L.C.	USD	29-May-30	1,794,084
Sukuk	MAR Finance L.L.C.	QAR	17-Dec-28	400,660
				<b>3,322,629</b>

				<i>QAR '000s</i>
Instrument	Issuer	Currency	Maturity date	<u>2024</u>
Sukuk	MAR Finance L.L.C.	USD	1-Feb-25	557,338
Debt securities <sup>2</sup>	AKCB Finance Limited	JPY	6-Feb-25	23,250
Sukuk	MAR Sukuk Limited	USD	2-Sep-25	2,712,817
				<u>3,293,405</u>

<sup>1</sup> The profit rates range from 2.0% to 4.88% (2024: 0.55% to 4.95%).

<sup>2</sup> Upon merger with Al Khaliji, the Group assumed these debt securities that were originally issued by Al Khaliji under its Euro Medium Term Note ("EMTN") programme.

		<i>QAR '000s</i>	
<b>As at 31 December</b>		<b>2025</b>	<u>2024</u>
Face value of sukuk and debt financing		<b>3,070,564</b>	3,263,244
Less: Unamortised transaction costs		<b>(5,687)</b>	(833)
Profit payable		<b>262,768</b>	30,994
Others		<b>(5,016)</b>	-
		<b>3,322,629</b>	<u>3,293,405</u>

The movement in sukuk and debt financing issued by the Group during the year is as follows:

	2025	QAR '000s 2024
Balance as at 1 January	3,293,405	5,235,937
Net issuances during the year	3,203,071	-
Repayments during the year	(3,381,528)	(2,081,793)
Amortisation of transaction costs	1,930	1,818
Effect of foreign currency movement	(139,289)	(2,641)
Finance expense for the year	350,056	140,084
Other movements	(5,016)	-
Balance as at 31 December	<b>3,322,629</b>	<b>3,293,405</b>

## 19. OTHER BORROWINGS

Instrument	Currency	Maturity Date	QAR '000s
			2025
Bilateral borrowing	USD	05-Aug-27	182,874
Bilateral borrowing	USD	19-Jul-27	548,535
Bilateral borrowing	USD	29-Dec-26	603,767
Syndicated borrowing	USD	11-May-28	1,332,061
Bilateral borrowing	USD	22-Apr-27	275,352
Bilateral borrowing	USD	24-Jun-27	182,229
Bilateral borrowing	USD	24-Dec-26	911,185
Bilateral borrowing	USD	30-Nov-28	728,188
Bilateral borrowing	USD	25-Mar-27	545,955
Bilateral borrowing	USD	29-Jul-27	183,503
Bilateral borrowing	USD	29-Dec-26	606,354
Bilateral borrowing	USD	26-Aug-27	182,820
Bilateral borrowing	CNH	14-Dec-28	439,771
Bilateral borrowing	USD	09-Sep-27	182,507
Bilateral borrowing	USD	24-Sep-27	860,931
			<b>7,766,032</b>

Instrument	Currency	Maturity Date	2024
Bilateral borrowing	USD	05-Aug-27	182,916
Bilateral borrowing	USD	24-Dec-26	910,369
Bilateral borrowing	USD	26-Mar-26	909,938
Bilateral borrowing	USD	19-Jul-27	547,457
Bilateral borrowing	USD	29-Dec-26	602,892
Bilateral borrowing	USD	20-Feb-25	366,177
Bilateral borrowing	USD	24-Jun-27	182,025
Bilateral borrowing	USD	26-Aug-27	182,967
Bilateral borrowing	USD	25-Mar-27	545,143
Bilateral borrowing	USD	29-Jul-27	183,713
Bilateral borrowing	USD	29-Dec-26	606,524
Bilateral borrowing	USD	26-Nov-25	369,064
Bilateral borrowing	USD	29-Dec-26	606,524
Bilateral borrowing	USD	09-Sep-27	182,550
			<b>6,378,259</b>

## 19. OTHER BORROWINGS (continued)

<sup>1</sup> The profit rates range from 2.30% to 5.43% (2024: 4.64% to 5.51%).

<sup>2</sup> The movement in other borrowings issued by the Group during the year is as follows:

	<i>QAR '000s</i>	
	<b>2025</b>	2024
Balance as at 1 January	<b>6,378,259</b>	4,585,513
Net issuances during the year	<b>4,159,771</b>	4,180,113
Repayments during the year	<b>(3,486,564)</b>	(2,695,990)
Amortisation of transaction costs	<b>9,010</b>	11,346
Finance expense for the year	<b>335,402</b>	297,277
Effect of foreign currency movement	<b>(1,590)</b>	-
Reclassification from due to banks	<b>369,596</b>	-
Other movements	<b>2,148</b>	-
	<b>7,766,032</b>	<u>6,378,259</u>
Balance as at 31 December		

## 20. OTHER LIABILITIES

	<i>QAR '000s</i>	
	<b>2025</b>	2024
Liabilities of a non-Shari'a-compliant subsidiary (c)	<b>1,888,768</b>	2,167,632
Manager's cheque and prepaid cards	<b>754,906</b>	255,078
Dividend payable	<b>583,519</b>	642,002
Income tax payable	<b>204,223</b>	2,316
Unearned commission	<b>177,775</b>	191,536
Accrued expenses	<b>163,206</b>	157,926
Other staff provisions	<b>120,274</b>	127,292
Provision for employees' end of service benefits (b)	<b>110,727</b>	100,524
Funds received against dividend payment on behalf of customers	<b>98,869</b>	103,937
Negative fair value of Shari'a-compliant risk management instruments	<b>83,700</b>	353,645
Allowance for impairment for off balance sheet exposures subject to credit risk	<b>77,545</b>	64,805
Acceptances	<b>53,242</b>	71,425
Profit payable on instrument eligible as additional capital	<b>46,000</b>	46,000
Social and sports fund (Note 42)	<b>33,215</b>	37,677
Net Ijarah liabilities (a)	<b>10,658</b>	10,042
Others	<b>442,055</b>	392,211
	<b>4,848,682</b>	<u>4,724,048</u>

### (a) Net Ijarah liabilities

	<i>QAR '000s</i>	
	<b>2025</b>	2024
Gross Ijarah liabilities	<b>11,404</b>	10,676
Less: Deferred Ijarah cost	<b>(746)</b>	(634)
Net Ijarah liabilities	<b>10,658</b>	<u>10,042</u>

The table below shows the maturity profile of gross and net Ijarah liabilities:

	2025			QAR '000s
	Gross Ijarah liabilities	Deferred Ijarah cost	Net Ijarah liabilities	2024 Net Ijarah liabilities
Up to 12 months	6,253	(305)	5,948	5,483
Between 1 to 5 years	5,151	(441)	4,710	4,559
	<b>11,404</b>	<b>(746)</b>	<b>10,658</b>	<b>10,042</b>

**(b) Provision for employees' end of service benefits**

	2025	QAR '000s
		2024
Balance as at 1 January	100,524	54,706
Provisions made during the year	15,472	51,050
Paid during the year	(5,269)	(5,232)
Balance as at 31 December	<b>110,727</b>	<b>100,524</b>

**(c) Liabilities of a non-Shari'a-compliant subsidiary**

	2025	QAR '000s
		2024
Due to banks	9,039	11,115
Customer deposits	1,681,576	1,944,315
Subordinated debt <sup>1</sup>	106,803	94,744
Other liabilities	91,350	117,458
	<b>1,888,768</b>	<b>2,167,632</b>

<sup>1</sup> Subordinated debt was assumed by the Bank upon merger with Al Khaliji and consists of a debt amounting to EUR 25 million for an undetermined maturity period which carried in 2025 profit at a rate equal to €STR. This debt will, in the event of the winding-up of the issuer, be subordinated to the claims of depositors and all other creditors of the issuer.

## 21. PARTICIPATORY INVESTMENT ACCOUNTS

	QAR '000s	
	2025	2024
<b>(a) By type</b>		
Saving accounts	8,669,388	7,662,489
Term accounts	91,312,939	87,897,068
Short-term investment accounts	2,498,947	4,252,571
Profit payable to participatory investment account holders	816,388	765,502
Share in the fair value reserve	1,657	1,992
	<b>103,299,319</b>	<b>100,579,622</b>

	QAR '000s	
	2025	2024
<b>(b) By sector</b>		
Government and related agencies	48,568,788	52,471,377
Non-banking financial institutions	7,323,086	5,194,462
Individuals	34,847,370	33,396,178
Corporate	11,742,030	8,750,111
Profit payable to participatory investment account holders	816,388	765,502
Share in the fair value reserve	1,657	1,992
	<b>103,299,319</b>	<b>100,579,622</b>

In accordance with QCB circular No. 87/2008, no risk reserve is deducted from the profit related to the participatory investment accounts and the total risk reserve is transferred from the shareholders' profit as an appropriation.

## 22. EQUITY

### (a) Share capital

	QAR '000s	
	2025	2024
<i>Authorised, issued and paid up</i>		
9,300,000,000 shares at QAR 1 each	<b>9,300,000</b>	<b>9,300,000</b>

### (b) Legal reserve

	QAR '000s	
	2025	2024
Balance as at 1 January	9,644,166	9,644,166
Transfer from retained earnings (i)	-	-
Balance as at 31 December	<b>9,644,166</b>	<b>9,644,166</b>

(i) According to QCB Law No. 13 of 2012, 10% of the profit for the year is required to be transferred to the legal reserve until the reserve equals 100% of the paid up capital. Accordingly, no transfer has been made for the year ended 31 December 2025, as the legal reserve reached 100% of the paid up capital prior to transfer from retained earnings for the current year (2024: Nil).

### (c) Risk reserve

In accordance with QCB circular 102/2011, risk reserve has been created to cover contingencies on both the public and private sector financing activities, with a minimum requirement of 2.5% of the total private sector exposure granted by the Group inside and outside Qatar after the exclusion of provisions and profit in suspense. The finance provided to/or secured by the Ministry of Finance or finance against cash guarantees are excluded from the gross direct financing, which should be appropriated from shareholders' profit according to QCB instructions.

### (d) Fair value reserve

	<i>QAR '000s</i>	
	<b>2025</b>	2024
Balance as at the 1 January	<b>51,278</b>	41,439
Net unrealised (losses) / gains	<b>(9,761)</b>	6,086
Share of other comprehensive income of associates	<b>547</b>	2,465
Transfer to retained earnings upon disposal of FVOCI equity investments	<b>-</b>	1,495
Share in the reserve attributable to quasi-equity	<b>335</b>	(207)
Net fair value movement	<b>(8,879)</b>	9,839
Balance as at 31 December (shareholders' share)	<b>42,399</b>	51,278

### (e) Foreign currency translation reserve

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

### (f) Other reserves

Other reserves consist of the following:

	<i>QAR '000s</i>	
	<b>2025</b>	2024
Share in profit from investment in associates, net of cash dividend	<b>140,842</b>	135,693
Share in the associate's actuarial gain on employees' defined benefit obligations	<b>262</b>	236
	<b>141,104</b>	135,929

The movement in other reserves during the year is as follows:

	<i>QAR '000s</i>	
	<b>2025</b>	2024
Balance as at 1 January	<b>135,929</b>	152,632
Share of results of associates	<b>35,786</b>	62,234
Dividends received from associates	<b>(26,100)</b>	(22,150)
Share in the associate's actuarial gain on employees' defined benefit obligations	<b>26</b>	(2)
Relating to disposal of associates	<b>-</b>	(27,215)
Other movement	<b>(4,537)</b>	(29,570)
Balance as at 31 December	<b>141,104</b>	135,929

### (g) Proposed dividend

The Board of Directors in its meeting held on 19 February 2026 proposed a cash dividend of 11% (2024: 10%) of the share capital amounting to QAR 1,023 million (2024: QAR 930 million). This proposal is subject to the approval of the shareholders' annual general assembly and the regulators in the State of Qatar.

## 23. NON-CONTROLLING INTEREST

This represents the non-controlling interest in Al Rayan Bank plc (26.24%) (2024: 26.24%).

## 24. INSTRUMENT ELIGIBLE AS ADDITIONAL CAPITAL

Upon merger with Al Khaliji, the Group assumed the QAR 1 billion Tier 1 capital notes (the "Notes") that was originally issued by Al Khaliji in March 2016. The Notes are perpetual, subordinated, unsecured and has been issued at a fixed profit rate for the first five years and re-priced in 2021. The coupon is discretionary and the event of non-payment is not considered as an event of default. The Notes carry no maturity date and have been classified under Tier 1 capital.

## 25. INCOME FROM FINANCING ACTIVITIES

	<i>QAR '000s</i>	
	<b>2025</b>	<b>2024</b>
Income from Murabaha	<b>4,152,275</b>	4,720,818
Income from Ijarah Muntahia Bittamleek	<b>1,709,524</b>	2,244,319
Income from Musharaka	<b>247,800</b>	284,788
Income from Istisna'a	<b>5,227</b>	6,695
	<b>6,114,826</b>	<u>7,256,620</u>

## 26. INCOME FROM INVESTING ACTIVITIES

	<i>QAR '000s</i>	
	<b>2025</b>	<b>2024</b>
Income from investment in debt-type instruments	<b>1,945,330</b>	1,676,298
Income from inter-bank placements with Islamic banks	<b>159,112</b>	185,436
Net gain / (loss) on sale of debt-type investments	<b>461</b>	(3,156)
Dividend income	<b>10,649</b>	16,158
Fair value gain on investment securities carried as fair value through income statement	<b>2,326</b>	1,732
Net gain on derivatives	<b>93,357</b>	137,598
	<b>2,211,235</b>	<u>2,014,066</u>

## 27. NET FEE AND COMMISSION INCOME

	<i>QAR '000s</i>	
	<b>2025</b>	<b>2024</b>
Commission on banking services	<b>287,112</b>	186,752
Commission on financing activities	<b>137,664</b>	113,654
Commission on trade finance activities	<b>128,354</b>	89,130
Income from off-balance sheet assets under management	<b>33,170</b>	35,792
	<b>586,300</b>	425,328
Fee and commission expenses	<b>(158,299)</b>	(126,497)
	<b>428,001</b>	<u>298,831</u>

## 28. FOREIGN EXCHANGE GAIN (NET)

Dealing in foreign currencies and revaluation of assets and liabilities

	<i>QAR '000s</i>	
	<i>2025</i>	<i>2024</i>
	<b>157,892</b>	<u>189,612</u>

## 29. OTHER INCOME

Recoveries  
Rental income  
Miscellaneous

	<i>QAR '000s</i>	
	<i>2025</i>	<i>2024</i>
	<b>357,250</b>	84,436
	<b>8,429</b>	852
	<b>871</b>	<u>5,993</u>
	<b>366,550</b>	<u>91,281</u>

## 30. STAFF COSTS

Salaries, allowances and other staff costs  
Employees' end of service benefits  
Staff pension fund costs

	<i>QAR '000s</i>	
	<i>2025</i>	<i>2024</i>
	<b>421,275</b>	367,800
	<b>15,472</b>	51,050
	<b>16,976</b>	<u>15,384</u>
	<b>453,723</b>	<u>434,234</u>

## 31. OTHER EXPENSES

Information technology  
Legal, professional and consulting fees  
Advertising expenses  
Rent and maintenance  
Board of Directors' remuneration (Note 38b)  
Shari'a Board remuneration  
Other operating expenses

	<i>QAR '000s</i>	
	<i>2025</i>	<i>2024</i>
	<b>115,631</b>	103,002
	<b>89,084</b>	77,716
	<b>34,350</b>	38,063
	<b>29,380</b>	29,125
	<b>22,333</b>	24,867
	<b>1,525</b>	1,231
	<b>31,029</b>	<u>38,260</u>
	<b>323,332</b>	<u>312,264</u>

## 32. TAX EXPENSE

	<i>QAR '000s</i>	
	<b>2025</b>	2024
Current tax expense	<b>24,367</b>	23,205
Adjustments in respect of prior years	<b>1,375</b>	1,817
Deferred tax expense	<b>3,929</b>	8,434
Pillar Two taxes <sup>1</sup>	<b>201,734</b>	-
	<b>231,405</b>	33,456

	<i>QAR '000s</i>	
	<b>2025</b>	2024
Profit before tax for the year	<b>1,582,017</b>	1,560,241
Less: Profit not subject to tax	<b>(10,618)</b>	(1,431,591)
Less: Pillar Two tax adjustments	<b>(99,663)</b>	-
Profit subject to tax	<b>1,471,736</b>	128,650
Weighted average tax rate	<b>15.36%</b>	18.04%
Tax calculated based on weighted average tax rate	<b>226,101</b>	23,205
Adjustments in respect of prior years	<b>1,375</b>	1,817
Deferred tax expense	<b>3,929</b>	8,434
Income tax expense	<b>231,405</b>	33,456

Movement of deferred tax asset is as follows:

	<i>QAR '000s</i>	
	<b>2025</b>	2024
Balance as at 1 January	<b>11,535</b>	20,145
Adjustments in respect of prior years	<b>3,234</b>	(109)
Deferred tax expense during the year	<b>(7,163)</b>	(8,325)
Effect of foreign currency movement	<b>764</b>	(176)
Balance as at 31 December (Note 15)	<b>8,370</b>	11,535

### <sup>1</sup> International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12

The Group is subject to the global minimum top-up tax under Pillar Two tax legislation. The top-up tax relates to the Group's operations in the State of Qatar.

In December 2021, the Organisation for Economic Co-operation and Development (OECD) issued model rules for a new global minimum 15% tax framework (Pillar Two tax), and various governments around the world have issued, or are in the process of issuing, legislation related to this framework. Qatar has enacted the OECD Pillar Two framework into domestic law through Law No. 22 of 2024, which amends the Income Tax Law No. 24 of 2018.

The law was published in the Official Gazette on 27 March 2025 and applies to fiscal periods beginning on or after 1 January 2025. Under this legislation, Qatar has implemented two Pillar Two mechanisms: (i) the Income Inclusion Rule (IIR), which requires a Qatari Ultimate Parent Entity to pay a top up tax in respect of low taxed foreign constituent entities; and (ii) a Domestic Minimum Top Up Tax (DMTT), which ensures that profits

generated in Qatar are subject to a minimum effective tax rate of 15%, thereby preventing the reallocation of taxing rights to other jurisdictions.

On 23 May 2023, the International Accounting Standards Board (IASB) issued amendments to IAS 12 'Income taxes' introducing a mandatory temporary exception to the requirements of IAS 12 under which an entity does not recognise or disclose information about deferred tax assets and liabilities related to the proposed OECD BEPS Pillar Two rules. The Group has applied this mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes.

The Group continues to monitor further the GloBE developments in Qatar and the other relevant jurisdictions, which may affect future tax calculations and compliance obligations.

### 33. CONTINGENT LIABILITIES AND COMMITMENTS

#### (a) Contingent liabilities

	<i>QAR '000s</i>	
	<b>2025</b>	2024
Unutilised credit facilities	<b>3,465,169</b>	5,544,378
Guarantees	<b>10,394,911</b>	9,115,955
Letters of credit	<b>1,184,732</b>	1,105,526
	<b>15,044,812</b>	15,765,859
Contingent liabilities of a non-Shari'a-compliant subsidiary <sup>1</sup>	<b>442,970</b>	446,160

<sup>1</sup> Contingent liabilities of a non-Shari'a-compliant subsidiary consist of the following:

	<b>2025</b>	2024
Unutilised credit facilities	<b>274,024</b>	241,967
Guarantees	<b>163,627</b>	201,156
Letters of credit	<b>5,319</b>	3,037
	<b>442,970</b>	446,160

#### (b) Other undertakings and commitments

	<i>QAR '000s</i>	
	<b>2025</b>	2024
Profit rate swap	<b>6,158,665</b>	5,812,950
Unilateral promise to buy/sell currencies	<b>6,187,927</b>	8,694,565
Cross currency swap	<b>540,670</b>	33,225
	<b>12,887,262</b>	14,540,740
Capital and other commitments	<b>30,299</b>	54,025
<b>Total contingent liabilities and commitments</b>	<b>28,405,343</b>	30,806,784

### 34. CONCENTRATION OF ASSETS, LIABILITIES AND QUASI-EQUITY

#### Geographical sector

	QAR '000s					
	Qatar	Other GCC	Europe	North America	Others	Total
<b>2025</b>						
Cash and balances with central banks	5,872,185	-	6,745	-	-	5,878,930
Due from banks	1,693,590	21,859	1,834,230	9,563	1,256,990	4,816,232
Financing assets	100,873,663	278,409	12,273,189	-	4,763,065	118,188,326
Investment securities	41,376,466	3,702,327	198,443	224,119	418,584	45,919,939
Investment in associates	145,264	213,545	-	-	-	358,809
Property and equipment	885,233	-	174,135	-	-	1,059,368
Intangible assets	1,337,141	-	-	-	-	1,337,141
Other assets	1,047,305	808,345	891,020	50,420	902,212	3,699,302
<b>TOTAL ASSETS</b>	<b>153,230,847</b>	<b>5,024,485</b>	<b>15,377,762</b>	<b>284,102</b>	<b>7,340,851</b>	<b>181,258,047</b>
Due to banks	18,544,064	4,424,420	4,742,716	162,989	508,428	28,382,617
Customer current accounts	7,185,357	56,474,000	592,335	1,053	3,810	7,839,029
Sukuk financing	3,322,629	-	-	-	-	3,322,629
Other borrowings	-	2,961,401	728,188	-	4,076,443	7,766,032
Other liabilities	3,318,590	661,525	323,965	2,218	542,384	4,848,682
<b>Total liabilities</b>	<b>32,370,640</b>	<b>8,103,820</b>	<b>6,387,204</b>	<b>166,260</b>	<b>5,131,065</b>	<b>52,158,989</b>
<b>Quasi-equity</b>	<b>83,344,535</b>	<b>7,277,357</b>	<b>12,271,362</b>	<b>525</b>	<b>405,540</b>	<b>103,299,319</b>
<b>TOTAL LIABILITIES AND QUASI-EQUITY</b>	<b>115,715,175</b>	<b>15,381,177</b>	<b>18,658,566</b>	<b>166,785</b>	<b>5,536,605</b>	<b>155,458,308</b>

QAR '000s

	Qatar	Other GCC	Europe	North America	Others	Total
2024						
Cash and balances with central banks	5,666,756	-	5,102	-	-	5,671,858
Due from banks	2,293,429	230,586	1,725,144	260,252	655,269	5,164,680
Financing assets	93,937,873	305,650	11,050,383	-	4,745,657	110,039,563
Investment securities	39,953,160	2,953,716	217,999	201,729	440,619	43,767,223
Investment in associates	139,570	208,704	-	-	-	348,274
Property and equipment	844,814	-	166,634	-	-	1,011,448
Intangible assets	1,450,958	-	-	-	-	1,450,958
Other assets	827,923	972,004	946,359	35,902	857,585	3,639,773
<b>TOTAL ASSETS</b>	<b>145,114,483</b>	<b>4,670,660</b>	<b>14,111,621</b>	<b>497,883</b>	<b>6,699,130</b>	<b>171,093,777</b>
Due to banks	16,527,685	1,918,816	4,835,332	10	475,017	23,756,860
Customer current accounts	6,330,685	62,108	631,421	1,715	4,798	7,030,727
Sukuk and debt financing	3,293,405	-	-	-	-	3,293,405
Other borrowings	-	1,824,540	735,241	-	3,818,478	6,378,259
Other liabilities	2,908,884	739,640	288,582	2,277	784,665	4,724,048
Total liabilities	29,060,659	4,545,104	6,490,576	4,002	5,082,958	45,183,299
Quasi-equity	83,852,335	5,490,994	10,523,412	3,282	709,599	100,579,622
<b>TOTAL LIABILITIES AND QUASI-EQUITY</b>	<b>112,912,994</b>	<b>10,036,098</b>	<b>17,013,988</b>	<b>7,284</b>	<b>5,792,557</b>	<b>145,762,921</b>

### 34. CONCENTRATION OF ASSETS, LIABILITIES AND QUASI-EQUITY (continued)

#### Industrial sector

QAR '000s

	Real estate	Construction, engineering and manufac- turing	Oil and gas	Financial services	Individuals	Others*	Total
<b>2025</b>							
Cash and balances with central banks	-	-	-	5,878,930	-	-	5,878,930
Due from banks	-	-	-	4,816,232	-	-	4,816,232
Financing assets	19,464,736	7,675,512	285,434	344,863	10,326,076	80,091,705	118,188,326
Investment securities	222,269	30,346	357,229	5,769,399	-	39,540,696	45,919,939
Investment in associates	30,022	-	-	274,300	-	54,487	358,809
Property and equipment	-	-	-	-	-	1,059,368	1,059,368
Intangible assets	-	-	-	-	-	1,337,141	1,337,141
Other assets	650,078	5,081	-	2,050,115	4,306	989,722	3,699,302
<b>TOTAL ASSETS</b>	<b>20,367,105</b>	<b>7,710,939</b>	<b>642,663</b>	<b>19,133,839</b>	<b>10,330,382</b>	<b>123,073,119</b>	<b>181,258,047</b>
Due to banks	-	-	-	28,382,617	-	-	28,382,617
Customer current accounts	62,688	272,236	21,132	57,564	2,904,404	4,521,005	7,839,029
Sukuk financing	-	-	-	3,322,629	-	-	3,322,629
Other borrowings	-	-	-	7,766,032	-	-	7,766,032
Other liabilities	-	111,005	-	1,035,368	705,639	2,996,670	4,848,682
<b>Total liabilities</b>	<b>62,688</b>	<b>383,241</b>	<b>21,132</b>	<b>40,564,210</b>	<b>3,610,043</b>	<b>7,517,675</b>	<b>52,158,989</b>
<b>Total quasi-equity</b>	<b>58,061</b>	<b>212,606</b>	<b>24,477</b>	<b>7,395,537</b>	<b>34,981,839</b>	<b>60,626,799</b>	<b>103,299,319</b>
<b>TOTAL LIABILITIES AND QUASI-EQUITY</b>	<b>120,749</b>	<b>595,847</b>	<b>45,609</b>	<b>47,959,747</b>	<b>38,591,882</b>	<b>68,144,474</b>	<b>155,458,308</b>

\* "Others" include government sector.

QAR '000s

	Real estate	Construction, engineering and manufac- turing	Oil and gas	Financial services	Individuals	Others*	Total
2024							
Cash and balances with central banks	-	-	-	5,671,858	-	-	5,671,858
Due from banks	-	-	-	5,164,680	-	-	5,164,680
Financing assets	21,507,604	8,139,069	408,107	314,314	9,468,098	70,202,371	110,039,563
Investment securities	209,379	34,234	248,241	5,128,539	-	38,146,830	43,767,223
Investment in associates	29,290	-	-	260,725	-	58,259	348,274
Property and equipment	-	-	-	-	-	1,011,448	1,011,448
Intangible assets	-	-	-	-	-	1,450,958	1,450,958
Other assets	552,860	18,867	-	2,264,158	6,107	797,781	3,639,773
<b>TOTAL ASSETS</b>	<b>22,299,133</b>	<b>8,192,170</b>	<b>656,348</b>	<b>18,804,274</b>	<b>9,474,205</b>	<b>111,667,647</b>	<b>171,093,777</b>
Due to banks	-	-	-	23,756,860	-	-	23,756,860
Customer current accounts	30,516	208,386	59,001	131,898	2,601,762	3,999,164	7,030,727
Sukuk and debt financing	-	-	-	3,293,405	-	-	3,293,405
Other borrowings	-	-	-	6,378,259	-	-	6,378,259
Other liabilities	-	165,588	-	1,537,941	567,195	2,453,324	4,724,048
Total liabilities	30,516	373,974	59,001	35,098,363	3,168,957	6,452,488	45,183,299
Total quasi-equity	217,391	120,092	1,677,804	5,194,462	33,468,833	59,901,040	100,579,622
<b>TOTAL LIABILITIES AND QUASI-EQUITY</b>	<b>247,907</b>	<b>494,066</b>	<b>1,736,805</b>	<b>40,292,825</b>	<b>36,637,790</b>	<b>66,353,528</b>	<b>145,762,921</b>

\* "Others" include government sector.

## 35. MATURITY PROFILE

Notes to the Consolidated Financial Statements 2025

	QAR '000s					
	Up to 3 months	3-6 months	6 months - 1 year	1-5 years	Over 5 years	Total
<b>2025</b>						
Cash and balances with central banks	531,722	-	-	-	5,347,208	5,878,930
Due from banks	3,670,020	1,624	199,877	944,711	-	4,816,232
Financing assets	3,181,040	1,283,018	6,033,315	46,805,529	60,885,424	118,188,326
Investment securities	18,687,831	25,711,606	563,781	654,355	302,366	45,919,939
Investment in associates	-	-	-	-	358,809	358,809
Property and equipment	-	-	-	-	1,059,368	1,059,368
Intangible assets	-	-	-	-	1,337,141	1,337,141
Other assets	1,551,941	161,233	132,982	1,505,845	347,301	3,699,302
<b>TOTAL ASSETS</b>	<b>27,622,554</b>	<b>27,157,481</b>	<b>6,929,955</b>	<b>49,910,440</b>	<b>69,637,617</b>	<b>181,258,047</b>
Due to banks	25,241,140	2,283,723	485,849	368,531	3,374	28,382,617
Customer current accounts	7,839,029	-	-	-	-	7,839,029
Sukuk financing	1,021,587	8,714	-	2,292,328	-	3,322,629
Other borrowings	16,042	-	910,573	6,839,417	-	7,766,032
Other liabilities	4,236,056	175,259	109,635	212,144	115,588	4,848,682
<b>Total liabilities</b>	<b>38,353,854</b>	<b>2,467,696</b>	<b>1,506,057</b>	<b>9,712,420</b>	<b>118,962</b>	<b>52,158,989</b>
<b>Total quasi-equity</b>	<b>48,590,124</b>	<b>19,015,441</b>	<b>16,300,837</b>	<b>19,392,874</b>	<b>43</b>	<b>103,299,319</b>
<b>TOTAL LIABILITIES AND QUASI-EQUITY</b>	<b>86,943,978</b>	<b>21,483,137</b>	<b>17,806,894</b>	<b>29,105,294</b>	<b>119,005</b>	<b>155,458,308</b>
<b>MATURITY GAP</b>	<b>(59,321,424)</b>	<b>5,674,344</b>	<b>(10,876,939)</b>	<b>20,805,146</b>	<b>69,518,612</b>	<b>25,799,739</b>

QAR '000s

	Up to 3 months	3-6 months	6 months-1 year	1-5 years	Over 5 years	Total
2024						
Cash and balances with central banks	446,004	-	-	-	5,225,854	5,671,858
Due from banks	4,515,172	919	360,883	287,706	-	5,164,680
Financing assets	9,214,643	2,529,297	2,029,433	49,965,631	46,300,559	110,039,563
Investment securities	3,966,326	2,550,447	4,873,696	30,072,891	2,303,863	43,767,223
Investment in associates	-	-	-	-	348,274	348,274
Property and equipment	-	-	-	-	1,011,448	1,011,448
Intangible assets	-	-	-	-	1,450,958	1,450,958
Other assets	1,713,402	222,099	268,056	1,118,212	318,004	3,639,773
<b>TOTAL ASSETS</b>	<b>19,855,547</b>	<b>5,302,762</b>	<b>7,532,068</b>	<b>81,444,440</b>	<b>56,958,960</b>	<b>171,093,777</b>
Due to banks	20,673,164	1,015,883	160,086	1,907,727	-	23,756,860
Customer current accounts	7,030,727	-	-	-	-	7,030,727
Sukuk and debt financing	600,268	-	2,693,137	-	-	3,293,405
Other borrowings	380,266	-	364,050	5,633,943	-	6,378,259
Other liabilities	4,396,010	146,070	55,314	8,410	118,244	4,724,048
Total liabilities	33,080,435	1,161,953	3,272,587	7,550,080	118,244	45,183,299
Total quasi-equity	50,747,292	10,667,195	20,070,561	19,094,574	-	100,579,622
<b>TOTAL LIABILITIES AND QUASI-EQUITY</b>	<b>83,827,727</b>	<b>11,829,148</b>	<b>23,343,148</b>	<b>26,644,654</b>	<b>118,244</b>	<b>145,762,921</b>
<b>MATURITY GAP</b>	<b>(63,972,180)</b>	<b>(6,526,386)</b>	<b>(15,811,080)</b>	<b>54,799,786</b>	<b>56,840,716</b>	<b>25,330,856</b>

### 36. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to the equity holders of the Bank by the weighted average number of ordinary shares outstanding during the year.

	<i>QAR '000s</i>	
	<b>2025</b>	2024
Profit for the year attributable to equity holders of the Bank	<b>1,328,595</b>	1,507,071
Less: Distribution for Tier 1 Capital notes	<b>(46,000)</b>	(46,000)
Profit for earnings per share computation	<b>1,282,595</b>	1,461,071
Weighted average number of shares outstanding during the year (thousand)	<b>9,300,000</b>	9,300,000
Basic earnings per share (QAR)	<b>0.138</b>	0.157

There were no potentially dilutive shares outstanding at any time during the year. Therefore, the diluted earnings per share are equal to the basic earnings per share.

### 37. CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following balances with original maturities of less than three months from the acquisition date:

	<i>QAR '000s</i>	
	<b>2025</b>	2024
Cash on hand and balances with central banks excluding cash reserve with QCB	<b>531,722</b>	446,002
Due from banks	<b>3,659,324</b>	4,512,932
Investment securities	<b>29,350</b>	822,530
Add: Allowance for impairment	<b>5</b>	29
	<b>4,220,401</b>	5,781,493

### 38. 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 shareholders and entities over which the Group exercise significant influence, directors and their close family members and executive management of the Group.

## (a) Transactions and balances

The related party transactions and balances included in these consolidated financial statements are as follows:

	2025			2024		
	Associate companies	Board of Directors <sup>1</sup>	Major share-holders <sup>2</sup>	Associate companies	Board of Directors <sup>1</sup>	Major share-holders <sup>2</sup>
<i>QAR '000s</i>						
<b>Consolidated statement of financial position items:</b>						
Financing assets	-	130,092	4,091,734	-	51,490	3,978,157
Customer current accounts	31,549	23,235	29,218	106,581	47,257	-
Participatory investment accounts	100,057	285,312	18,263,323	68,367	247,444	18,685,851
Other liabilities	-	-	106,803	-	-	94,744
<b>Consolidated statement of income items:</b>						
Income from financing activities	-	6,604	167,231	-	3,984	179,785
Net profit attributable to quasi-equity	3,420	10,718	891,447	2,722	10,955	999,115
Operating expenses	17,879	-	-	16,593	-	-
<b>Contingent liabilities:</b>						
Letters of credit	-	1,000	-	-	500	-
Guarantees	159,311	138,075	-	134,816	95,161	-

<sup>1</sup> Includes close family members

<sup>2</sup> Major shareholders owning directly or indirectly 5% or more of capital

All the transactions with the related parties are substantially on the same terms, including profit rates and collateral, as those prevailing in comparable transactions with unrelated parties.

## (b) Transactions with key management personnel

The remuneration of directors and other members of key management during the year were as follows:

	<i>QAR '000s</i>	
	2025	2024
Remuneration to Board of Directors including meeting allowance (Note 31)	22,333	24,867
<i>Key management</i>		
Short term employee benefits	24,197	19,347
Other long-term benefits	884	923
	25,081	20,270

## 39. SHARI'A-COMPLIANT RISK MANAGEMENT INSTRUMENTS

### (a) 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. In the case of currency swaps, profit payments and principal are exchanged in different currencies.

### (b) 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 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 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 fair value of Shari'a-compliant risk management instruments.

	QAR '000s						
	Positive fair value	Negative fair value	Notional amount	Within 3 months	3 - 12 months	1 - 5 years	Over 5 years
<b>2025</b>							
<b>Shari'a-compliant risk management instruments</b>							
Profit rate swaps	181,604	53,743	6,158,665	182,026	744,178	4,929,111	303,350
Unilateral promise to buy/sell currencies	114,285	29,262	6,187,927	4,268,504	1,879,123	40,300	-
Cross currency swap	2,570	695	540,670	-	-	540,670	-
	<u>298,459</u>	<u>83,700</u>	<u>12,887,262</u>	<u>4,450,530</u>	<u>2,623,301</u>	<u>5,510,081</u>	<u>303,350</u>

	QAR '000s						
	Positive fair value	Negative fair value	Notional amount	Within 3 months	3 - 12 months	1 - 5 years	Over 5 years
<b>2024</b>							
<b>Shari'a-compliant risk management instruments</b>							
Profit rate swaps	343,894	94,054	5,812,950	72,811	760,939	3,854,502	1,124,698
Unilateral promise to buy/sell currencies	27,201	249,631	8,694,565	6,720,023	1,974,542	-	-
Cross currency swap	-	9,960	33,225	33,225	-	-	-
	<u>371,095</u>	<u>353,645</u>	<u>14,540,740</u>	<u>6,826,059</u>	<u>2,735,481</u>	<u>3,854,502</u>	<u>1,124,698</u>

Hedge ineffectiveness in relation to the profit rate swaps designated as hedging instruments was negligible for 2025 and 2024.

## 40. Zakat

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

## 41. SHARI'A SUPERVISORY BOARD

The Shari'a supervisory Board of the Group consists of three scholars who are specialised in Shari'a principles and they ensure the Group's compliance with general Islamic principles and work in accordance with the issued Fatwas and guiding rules. The Board's review includes examining the evidence related to documents and procedures adopted by the Group in order to ensure that its activities are according to the principles of Islamic Shari'a.

## 42. SOCIAL RESPONSIBILITY

Pursuant to Law No. 13 of 2008 and further clarifications of the law issued in 2010, the Group established QAR 33.2 million for an amount equivalent to 2.5% of the net profit of the Group relating to the year ended 31 December 2025 (2024: QAR 37.7 million) for the support of sports, cultural and charitable activities. The social and sports contribution was funded through the utilisation of the Group's available charity fund (Note 43).

## 43. SOURCES AND APPLICATION OF CHARITY FUND

	<i>QAR '000s</i>	
	<i>2025</i>	<i>2024</i>
Undistributed charity fund as at 1 January	<b>162,472</b>	133,265
Net earnings prohibited by Shari'a during the year	<b>62,074</b>	66,884
<b>Total source of charity fund</b>	<b>224,546</b>	200,149
<b>Uses of charity fund</b>		
Social and sports fund contribution for the year (Note 42)	<b>(33,215)</b>	(37,677)
Researches, donations and other uses during the year	<b>(600)</b>	-
<b>Total uses of charity fund</b>	<b>(33,815)</b>	(37,677)
<b>Undistributed charity fund as at 31 December</b>	<b>190,731</b>	162,472

**Supplementary Financial Information to the Consolidated Financial Statements**

For the year ended 31 December

## FINANCIAL STATEMENTS OF THE PARENT BANK

**(a) STATEMENT OF FINANCIAL POSITION OF THE PARENT BANK**

	<i>QAR '000s</i>	
	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
Cash and balances with QCB	5,872,185	5,666,756
Due from banks	3,374,320	3,304,009
Financing assets	106,064,089	100,418,699
Investment securities	44,296,395	42,798,581
Investment in subsidiaries and associates	1,807,213	1,802,399
Property and equipment	885,233	849,436
Intangible assets	1,336,768	1,450,585
Other assets	647,383	540,958
<b>TOTAL ASSETS</b>	<b>164,283,586</b>	<b>156,831,423</b>
<b>LIABILITIES</b>		
Due to banks	28,053,527	23,531,074
Customer current accounts	7,139,826	6,265,148
Sukuk and debt financing	3,444,697	3,330,076
Other borrowings	6,905,101	6,378,259
Other liabilities	2,722,638	2,375,058
<b>TOTAL LIABILITIES</b>	<b>48,265,789</b>	<b>41,879,615</b>
<b>QUASI-EQUITY</b>		
Participatory investment accounts	91,448,519	90,605,206
<b>EQUITY</b>		
Share capital	9,300,000	9,300,000
Legal reserve	9,644,166	9,644,166
Risk reserve	2,700,401	2,700,401
Foreign currency translation reserve	(39)	(315)
Fair value reserves	52,375	62,538
Retained earnings	1,872,375	1,639,812
<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK</b>	<b>23,569,278</b>	<b>23,346,602</b>
Instrument eligible as additional capital	1,000,000	1,000,000
<b>TOTAL EQUITY</b>	<b>24,569,278</b>	<b>24,346,602</b>
<b>TOTAL LIABILITIES, QUASI-EQUITY AND EQUITY</b>	<b>164,283,586</b>	<b>156,831,423</b>
Off-balance sheet assets under management	-	-
Contingent liabilities and commitments	26,924,452	29,582,169

**Parent bank financial information**

Statement of financial position and statement of income of the Parent bank, disclosed as supplementary financial information as required by the QCB, are prepared following the same accounting policies as mentioned in Notes 3(d) except for investment in subsidiaries and associates which are carried at cost, less impairment if any.

**(b) STATEMENT OF INCOME OF THE PARENT BANK**

	<i>QAR '000s</i>	
	<b>2025</b>	<b>2024</b>
Income from financing activities	<b>5,384,598</b>	6,597,973
Income from investing activities	<b>2,123,166</b>	1,911,850
Finance expense	<b>(1,430,113)</b>	(1,422,501)
<b>Income from financing and investing activities, net of finance expense</b>	<b>6,077,651</b>	7,087,322
Fee and commission income	<b>545,579</b>	381,628
Fee and commission expense	<b>(155,300)</b>	(123,335)
<b>Net fee and commission income</b>	<b>390,279</b>	258,293
Foreign exchange gain (net)	<b>157,694</b>	189,844
Loss on sale of an associate	<b>-</b>	(10,515)
Other income	<b>369,089</b>	91,659
<b>TOTAL INCOME, NET OF FINANCE EXPENSE</b>	<b>6,994,713</b>	7,616,603
Staff costs	<b>(339,340)</b>	(328,239)
Depreciation	<b>(161,917)</b>	(158,719)
Other expenses	<b>(252,242)</b>	(245,541)
<b>OPERATING EXPENSES</b>	<b>(753,499)</b>	(732,499)
Net impairment reversals / (losses) on due from banks	<b>4,555</b>	(5,947)
Net impairment losses on financing assets	<b>(797,477)</b>	(1,028,998)
Net impairment reversals on investment securities	<b>8,014</b>	9,252
Net impairment losses on other exposures subject to credit risk	<b>(13,113)</b>	(53)
<b>PROFIT FOR THE YEAR BEFORE NET PROFIT ATTRIBUTABLE TO QUASI-EQUITY</b>	<b>5,443,193</b>	5,858,358
Less: Net profit attributable to quasi-equity	<b>(4,037,434)</b>	(4,516,568)
<b>PROFIT BEFORE TAX FOR THE YEAR</b>	<b>1,405,734</b>	1,341,790
Income tax expense	<b>(201,734)</b>	-
<b>NET PROFIT FOR THE YEAR</b>	<b>1,204,025</b>	1,341,790





بنك الريان (ش.م.ع.ق.)  
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س.ت: 32010, رأس المال: 9,300,000,000 (مدفوع بالكامل) | CR No: 32010, Authorized and Paid-up Capital: QR 9,300,000,000