

# **MASRAF AL RAYAN (Q.P.S.C.)**

## **INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**30 SEPTEMBER 2024**

# Masraf Al Rayan (Q.P.S.C.)

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## INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2024

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## Review report on the interim condensed consolidated financial statements to the board of directors of Masraf Al Rayan Q.P.S.C.

### Introduction

We have reviewed the accompanying interim consolidated statement of financial position of Masraf Al Rayan Q.P.S.C. (the “Parent”) and its subsidiaries (together “the Group”) as at 30 September 2024 and the related interim consolidated income statement, interim consolidated statement of comprehensive income and interim consolidated statement of income and attribution related to quasi-equity for the three-month and nine-month periods then ended, and interim consolidated statement of changes in equity, interim consolidated statement of cash flows and interim consolidated statement of changes in off-balance sheet assets under management for the nine-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed consolidated financial statements in accordance with Financial Accounting Standard (“FAS”) 41 “Interim financial reporting” issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (“AAOIFI”) as modified by Qatar Central Bank (“QCB”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### Scope of review

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

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with FAS 41 issued by AAOIFI as modified by QCB.

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  
14 October 2024



## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Notes	30 September 2024 (Reviewed)	31 December 2023 (Audited)	30 September 2023 (Reviewed)
<b>ASSETS</b>				
Cash and balances with central banks		5,978,380	4,993,280	5,230,876
Due from banks		4,254,450	5,662,554	5,632,199
Financing assets	6	110,036,942	108,228,181	109,947,357
Investment securities	7	39,031,900	38,598,973	36,811,429
Investment in associates	8	340,131	348,556	335,255
Property and equipment		1,012,624	968,571	962,850
Intangible assets		1,479,412	1,564,774	1,593,229
Other assets		3,626,923	3,834,646	3,860,927
<b>TOTAL ASSETS</b>		<b>165,760,762</b>	<b>164,199,535</b>	<b>164,374,122</b>
<b>LIABILITIES, QUASI-EQUITY AND EQUITY</b>				
<b>LIABILITIES</b>				
Due to banks	9	16,222,846	32,204,024	29,863,484
Customer current accounts		7,788,435	7,924,383	9,399,305
Sukuk and debt financing	10	5,204,507	5,235,937	7,785,696
Other borrowings	11	6,049,871	4,585,513	4,585,468
Other liabilities		4,405,626	4,643,739	5,021,703
<b>TOTAL LIABILITIES</b>		<b>39,671,285</b>	<b>54,593,596</b>	<b>56,655,656</b>
<b>QUASI-EQUITY</b>				
Participatory investment accounts	12	100,846,980	84,799,440	83,110,036
<b>EQUITY</b>				
Share capital	13 (a)	9,300,000	9,300,000	9,300,000
Legal reserve	13 (b)	9,644,166	9,644,166	9,644,166
Risk reserve	13 (c)	2,661,613	2,661,613	2,398,543
Fair value reserve	13 (d)	53,909	41,439	33,222
Foreign currency translation reserve	13 (e)	(73,380)	(110,907)	(155,539)
Other reserves	13 (f)	125,069	152,632	140,512
Retained earnings		2,264,567	1,880,281	2,023,966
<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK</b>		<b>23,975,944</b>	<b>23,569,224</b>	<b>23,384,870</b>
Non-controlling interest	14	266,553	237,275	223,560
Instrument eligible as additional capital		1,000,000	1,000,000	1,000,000
<b>TOTAL EQUITY</b>		<b>25,242,497</b>	<b>24,806,499</b>	<b>24,608,430</b>
<b>TOTAL LIABILITIES, QUASI-EQUITY AND EQUITY</b>		<b>165,760,762</b>	<b>164,199,535</b>	<b>164,374,122</b>
Off-balance sheet assets under management		5,464,728	5,246,537	5,113,905
Contingent liabilities and commitments	15	30,784,240	36,857,263	38,157,599

These interim condensed consolidated financial statements were approved by the Board of Directors on 14 October 2024 and were signed on its behalf by:

  
 Mohamed Bin Hamad Bin Qassim Al Thani  
 Chairman

  
 Fahad Bin Abdulla Al Khalifa  
 Group Chief Executive Officer

Independent auditor's review report is set out on page i

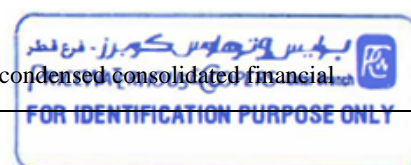
The attached notes 1 to 20 form part of, and should be read in conjunction with these interim condensed consolidated financial statements

## INTERIM CONSOLIDATED INCOME STATEMENT

For the three-month and nine-month periods ended 30 September 2024

	Notes	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2024 (Reviewed)	2023 (Reviewed)	2024 (Reviewed)	2023 (Reviewed)
Net income from financing activities		1,885,331	1,903,085	5,551,341	5,395,074
Net income from investing activities		508,446	445,589	1,523,695	1,191,518
Finance expense		(367,590)	(599,772)	(1,091,445)	(1,652,515)
<b>Income from financing and investing activities, net of finance expense</b>		<b>2,026,187</b>	<b>1,748,902</b>	<b>5,983,591</b>	<b>4,934,077</b>
Fee and commission income		111,379	122,275	317,551	334,993
Fee and commission expense		(27,784)	(36,400)	(94,344)	(91,031)
<b>Net fee and commission income</b>		<b>83,595</b>	<b>85,875</b>	<b>223,207</b>	<b>243,962</b>
Foreign exchange gain (net)		60,347	60,039	161,643	137,789
Share of results of associates	8	11,559	12,742	55,159	37,259
(Loss) / gain on sale of associates		-	-	(10,515)	16,618
Other income		10,487	38,318	90,767	86,104
<b>TOTAL INCOME, NET OF FINANCE EXPENSE</b>		<b>2,192,175</b>	<b>1,945,876</b>	<b>6,503,852</b>	<b>5,455,809</b>
Staff costs		(109,893)	(100,657)	(324,228)	(295,760)
Depreciation and amortisation		(42,703)	(42,391)	(129,551)	(129,229)
Other expenses		(87,442)	(76,042)	(247,153)	(210,411)
<b>OPERATING EXPENSES</b>		<b>(240,038)</b>	<b>(219,090)</b>	<b>(700,932)</b>	<b>(635,400)</b>
Net impairment (losses) / reversals on due from banks	3(a)	(2,255)	9,553	(1,480)	13,530
Net impairment losses on financing assets		(188,150)	(355,175)	(738,375)	(927,801)
Net impairment reversals on investments		86	56,796	6,950	16,499
Net impairment reversals on other exposures subject to credit risk	3(a)	5,743	12,590	707	68,622
<b>PROFIT FOR THE PERIOD BEFORE NET PROFIT ATTRIBUTABLE TO QUASI-EQUITY</b>		<b>1,767,561</b>	<b>1,450,550</b>	<b>5,070,722</b>	<b>3,991,259</b>
Less: Net profit attributable to quasi-equity		(1,253,305)	(948,054)	(3,736,689)	(2,695,195)
<b>PROFIT BEFORE TAX FOR THE PERIOD</b>		<b>514,256</b>	<b>502,496</b>	<b>1,334,033</b>	<b>1,296,064</b>
Income tax expense		(11,664)	(16,105)	(29,035)	(33,884)
<b>NET PROFIT FOR THE PERIOD</b>		<b>502,592</b>	<b>486,391</b>	<b>1,304,998</b>	<b>1,262,180</b>
<b>Net profit for the period attributable to:</b>					
Equity holders of the Bank		499,162	473,004	1,288,220	1,237,645
Non-controlling interest		3,430	13,387	16,778	24,535
		<b>502,592</b>	<b>486,391</b>	<b>1,304,998</b>	<b>1,262,180</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE (QAR)</b>	16	<b>0.054</b>	0.051	<b>0.139</b>	0.133

Independent auditor's review report is set out on page i  
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## INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three-month and nine-month periods ended 30 September 2024

Notes	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2024 (Reviewed)	2023 (Reviewed)	2024 (Reviewed)	2023 (Reviewed)
<b>NET PROFIT FOR THE PERIOD</b>	<b>502,592</b>	<b>486,391</b>	<b>1,304,998</b>	<b>1,262,180</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that may not be subsequently classified to consolidated income statement</b>				
Fair value changes of equity-type investments carried at fair value through other comprehensive income	14,052	4,598	10,079	5,040
<b>Items that may be subsequently classified to consolidated income statement</b>				
Exchange difference arising on translation of foreign operations	67,596	(49,417)	50,027	(6,068)
Net change in the share of other comprehensive income of investment in associates:				
Net change in fair value	84	127	1,137	(4,497)
Net amount transferred to consolidated income statement	-	-	-	951
Fair value changes of debt-type investments carried at fair value through other comprehensive income	(129)	(724)	294	(1,100)
Share in the reserve attributable to quasi-equity	(578)	(162)	(537)	(16)
<b>Total other comprehensive income for the period</b>	<b>81,025</b>	<b>(45,578)</b>	<b>61,000</b>	<b>(5,690)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>583,617</b>	<b>440,813</b>	<b>1,365,998</b>	<b>1,256,490</b>
<b>Attributable to:</b>				
Equity holders of the Bank	565,489	435,900	1,336,720	1,231,084
Non-controlling interest	18,128	4,913	29,278	25,406
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>583,617</b>	<b>440,813</b>	<b>1,365,998</b>	<b>1,256,490</b>



Independent auditor's review report is set out on page i

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**INTERIM CONSOLIDATED STATEMENT OF INCOME AND ATTRIBUTION RELATED TO QUASI-EQUITY**

For the three-month and nine-month periods ended 30 September 2024

Notes	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2024 (Reviewed)	2023 (Reviewed)	2024 (Reviewed)	2023 (Reviewed)
Net profit for the period before net profit attributable to quasi-equity after tax	<b>1,755,897</b>	1,434,445	<b>5,041,687</b>	3,957,375
Less: Income not attributable to quasi-equity	<b>(665,314)</b>	(768,331)	<b>(1,977,151)</b>	(2,105,548)
Add: Expenses not attributable to quasi-equity	<b>212,380</b>	358,605	<b>693,754</b>	974,532
Net profit attributable to quasi-equity before Masraf's Mudaraba income	<b>1,302,963</b>	1,024,719	<b>3,758,290</b>	2,826,359
Less: Mudarib's share	<b>(1,237,520)</b>	(965,086)	<b>(3,569,439)</b>	(2,662,209)
Add: Support provided by Masraf	<b>1,187,862</b>	888,421	<b>3,547,838</b>	2,531,045
<b>NET PROFIT ATTRIBUTABLE TO QUASI-EQUITY</b>	<b>1,253,305</b>	948,054	<b>3,736,689</b>	2,695,195
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that may be subsequently classified to consolidated income statement</b>				
Share in the reserve attributable to quasi-equity	<b>578</b>	162	<b>537</b>	16
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>578</b>	162	<b>537</b>	16
<b>TOTAL PROFIT ATTRIBUTABLE TO QUASI-EQUITY</b>	<b>1,253,883</b>	948,216	<b>3,737,226</b>	2,695,211



Independent auditor's review report is set out on page i

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## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 30 September 2024

	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 at 31 December 2023 (Audited)	9,300,000	9,644,166	2,661,613	41,439	(110,907)	152,632	1,880,281	23,569,224	237,275	1,000,000	24,806,499
Net profit for the period	-	-	-	-	-	-	1,288,220	1,288,220	16,778	-	1,304,998
Other comprehensive income	-	-	-	10,975	37,527	(2)	-	48,500	12,500	-	61,000
Total comprehensive income for the period	-	-	-	10,975	37,527	(2)	1,288,220	1,336,720	29,278	-	1,365,998
Transfer to retained earnings upon disposal of FVOCI equity instruments	-	-	-	1,495	-	-	(1,495)	-	-	-	-
Transfer from other reserves	-	-	-	-	-	(27,561)	27,561	-	-	-	-
Dividend declared and approved for 2023 Note 13 (g)	-	-	-	-	-	-	(930,000)	(930,000)	-	-	(930,000)
<b>Balance at 30 September 2024 (Reviewed)</b>	<b>9,300,000</b>	<b>9,644,166</b>	<b>2,661,613</b>	<b>53,909</b>	<b>(73,380)</b>	<b>125,069</b>	<b>2,264,567</b>	<b>23,975,944</b>	<b>266,553</b>	<b>1,000,000</b>	<b>25,242,497</b>
	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 at 31 December 2022 (Audited)	9,300,000	9,644,166	2,398,543	32,844	(148,600)	140,512	1,716,321	23,083,786	198,154	1,000,000	24,281,940
Net profit for the period	-	-	-	-	-	-	1,237,645	1,237,645	24,535	-	1,262,180
Other comprehensive income	-	-	-	378	(6,939)	-	-	(6,561)	871	-	(5,690)
Total comprehensive income for the period	-	-	-	378	(6,939)	-	1,237,645	1,231,084	25,406	-	1,256,490
Dividend declared and approved for 2022 Note 13 (g)	-	-	-	-	-	-	(930,000)	(930,000)	-	-	(930,000)
Balance at 30 September 2023 (Reviewed)	9,300,000	9,644,166	2,398,543	33,222	(155,539)	140,512	2,023,966	23,384,870	223,560	1,000,000	24,608,430

Independent auditor's review report is set out on page i

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## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine-month period ended 30 September 2024

	Notes	For the nine-month period ended 30 September	
		2024 (Reviewed)	2023 (Reviewed)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax for the period		1,334,033	1,296,064
Adjustments for:			
Net impairment losses / (reversals) on due from banks	3(a)	1,480	(13,530)
Net impairment losses on financing assets		738,375	927,801
Net impairment reversals on investments		(6,950)	(16,499)
Net impairment reversals on other exposures subject to credit risk	3(a)	(707)	(68,622)
Fair value gain on investment securities carried at fair value through income statement		(4,779)	-
Unrealized loss / (gain) on revaluation of Shari'a compliant risk management instruments		4,792	(5,850)
Depreciation and amortisation		129,551	129,229
Loss on disposal of property and equipment		804	109
Amortization of transaction costs and IFRS 3 adjustments on sukuk financing and other borrowings		11,253	(40,479)
Net loss / (gain) on sale of investment securities		3,156	(336)
Dividend income		(16,158)	(10,809)
Share of results of associates	8	(55,159)	(37,259)
Loss / (gain) on sale of an associate		10,515	(16,618)
Net amortisation of (discount) / premium on investment securities		(139,699)	5,765
Employees' end of service benefit provisions		47,902	7,359
Profit before changes in operating assets and liabilities		2,058,409	2,156,325
Change in reserve account with Qatar Central Bank		(1,007,597)	253,578
Change in due from banks		(175,047)	472,405
Change in financing assets		(2,620,583)	6,898,841
Change in other assets		55,735	(33,113)
Change in profit receivable from investments		(24,509)	(9,538)
Change in due to banks		(15,981,178)	547,061
Change in customer current accounts		(135,948)	662,478
Change in other liabilities		17,145	310,369
Change in profit payable on sukuk and debt financing and other borrowings		(6,440)	42,607
		(17,820,013)	11,301,013
Dividend received		16,158	10,809
Tax paid		(19,464)	(27,040)
Social and sports fund contribution		(36,293)	(35,644)
Employees' end of service benefits paid		(2,140)	(3,492)
<b>Net cash (used in) / generated from operating activities</b>		<b>(17,861,752)</b>	<b>11,245,646</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of investment securities		(15,675,254)	(10,769,019)
Proceeds from sale / redemption of investment securities		16,142,574	5,848,544
Proceeds from sale of an associate		32,000	40,622
Acquisition of property and equipment		(96,537)	(81,540)
Dividend received from associates	8	22,150	11,500
<b>Net cash generated from / (used in) investing activities</b>		<b>424,933</b>	<b>(4,949,893)</b>

...continued



Independent auditor's review report is set out on page i

The attached notes 1 to 20 form part of, and should be read in conjunction with these interim condensed consolidated financial statements

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the nine-month period ended 30 September 2024

	Notes	For the nine-month period ended 30 September	
		2024 (Reviewed)	2023 (Reviewed)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Change in participatory investment accounts		16,047,003	(5,444,859)
Proceeds from sukuk and debt financing and other borrowings, net of transaction cost		1,454,288	1,993,629
Repayments of sukuk and debt financing and other borrowings		(25,839)	(1,144,384)
Repayment of Ijarah liabilities		(7,842)	(12,226)
Dividends paid		(1,009,645)	(1,080,783)
Profit paid on instrument eligible as additional capital		(46,000)	(46,000)
<b>Net cash generated from / (used in) financing activities</b>		<b>16,411,965</b>	<b>(5,734,623)</b>
Net decrease / (increase) in cash and cash equivalents		(1,024,854)	561,130
Cash and cash equivalents at 1 January		6,028,295	6,229,775
Effects of exchange rate changes on cash and cash equivalents held		41,792	(12,203)
<b>Cash and cash equivalents at 30 September</b>	17	<b>5,045,233</b>	<b>6,778,702</b>



Independent auditor's review report is set out on page i

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## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OFF-BALANCE SHEET ASSETS UNDER MANAGEMENT

For the nine-month period ended 30 September 2024

	<i>1 January 2024</i>	<i>Movements during the period</i>					<i>Mudarib's share</i>	<i>30 September 2024</i>
		<i>Additions</i>	<i>Withdrawals</i>	<i>Revaluations / Gross income</i>	<i>Assets transferred to liquidator</i>	<i>Net dividends paid</i>		
<b>30 September 2024 (Reviewed)</b>								
Money market placements	332,756	1,653,963	(1,131,913)	24,202	-	-	(3,086)	875,922
Investments in sukuk, shares, mutual funds and other securities	<u>4,913,781</u>	<u>82,647</u>	<u>(491,855)</u>	<u>185,892</u>	<u>-</u>	<u>(101,659)</u>	<u>-</u>	<u>4,588,806</u>
	<u>5,246,537</u>	<u>1,736,610</u>	<u>(1,623,768)</u>	<u>210,094</u>	<u>-</u>	<u>(101,659)</u>	<u>(3,086)</u>	<u>5,464,728</u>
	<i>1 January 2023</i>	<i>Movements during the period</i>					<i>Mudarib's share</i>	<i>30 September 2023</i>
		<i>Additions</i>	<i>Withdrawals</i>	<i>Revaluations / Gross income</i>	<i>Assets transferred to liquidator</i>	<i>Net dividends paid</i>		
<b>30 September 2023 (Reviewed)</b>								
Money market placements	156,771	1,109,781	(849,788)	16,905	-	-	(5,613)	428,056
Investments in sukuk, shares, mutual funds and other securities	<u>4,689,405</u>	<u>99,604</u>	<u>(124,554)</u>	<u>115,560</u>	<u>(5,179)</u>	<u>(88,987)</u>	<u>-</u>	<u>4,685,849</u>
	<u>4,846,176</u>	<u>1,209,385</u>	<u>(974,342)</u>	<u>132,465</u>	<u>(5,179)</u>	<u>(88,987)</u>	<u>(5,613)</u>	<u>5,113,905</u>



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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2024

**1 REPORTING ENTITY**

Masraf Al Rayan (Q.P.S.C.) (“Masraf” or “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, 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 interim condensed consolidated financial statements of the Bank for the nine-month period ended 30 September 2024 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 16 branches in Qatar. The Parent Company / Ultimate Controlling Party of the Group is Masraf Al Rayan (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 Number 11 of 2015 as amended by Law Number 8 of 2021 (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”).

The merger was effected in a share swap transaction through the issuance of 0.5 new Masraf share for every 1 share in Al Khaliji at the close of business on 30 November 2021 (the “effective date”), subsequent to which Al Khaliji shares were delisted from Qatar Stock Exchange. On the effective date, Al Khaliji was dissolved and Masraf, 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.

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 interim condensed consolidated financial statements continue to be prepared on the going concern basis.

The principal subsidiaries of the Group are as follows:

<i>Entity’s name</i>	<i>Country of incorporation</i>	<i>Entity’s capital</i>	<i>Entity’s activities</i>	<i>Effective percentage of ownership</i>	
				<i>30 September 2024</i>	<i>31 December 2023</i>
Al Rayan Investment L.L.C.	Qatar	USD 100,000,000	Investment banking	<b>100.0%</b>	100.0%
Al Rayan (UK) Ltd <sup>1</sup>	UK	GBP 100,000,000	Investment activities	<b>75.0%</b>	75.0%
Al Rayan Partners L.L.C. <sup>6</sup>	Qatar	QAR 10,000,000	Real estate consulting	<b>100.0%</b>	100.0%
Lusail Waterfront Investment Co.	Cayman Islands	USD 100	Investment activities	<b>100.0%</b>	100.0%
MAR Sukuk Limited <sup>2</sup>	Cayman Islands	USD 250	Sukuk issuance	<b>100.0%</b>	100.0%
Al Khaliji France S.A. <sup>3 &amp; 5</sup>	France	EUR 104,000,000	Banking	<b>100.0%</b>	100.0%
AKCB Finance Limited <sup>3</sup>	Cayman Islands	USD 1	Debt Issuance	<b>100.0%</b>	100.0%
AKCB Capital Markets Ltd <sup>3</sup>	Cayman Islands	USD 1	Over-the-Counter Shari’a-compliant risk management instruments	<b>100.0%</b>	100.0%
Lusail Limited	Cayman Islands	USD 1	Financing and investing activities	<b>100.0%</b>	100.0%
MAR Finance L.L.C. <sup>4</sup>	Qatar	QAR 1,000	Sukuk issuance	<b>100.0%</b>	100.0%

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2024

**1 REPORTING ENTITY (continued)**

- <sup>1</sup> Al Rayan (UK) Ltd owns 98.34% of its subsidiary, Al Rayan Bank PLC. Effectively, the Bank owns 73.76% of Al Rayan Bank PLC. During the period, the Board of Directors of Al Rayan (UK) Ltd decided to dissolve the entity and obtained approval from the ultimate shareholders of Al Rayan Bank PLC to transfer their holdings on the same ownership basis from Al Rayan (UK) Ltd to the ultimate shareholders. The dissolution process of Al Rayan (UK) Ltd is expected to be completed by October 2024.
- <sup>2</sup> MAR Sukuk Limited was incorporated in the Cayman Islands as an exempted 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 interim consolidated income statement, and the subsidiary's assets and liabilities are presented under other assets and other liabilities in the interim 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 was approved by the QCB during 2024. After obtaining approval from the Ministry of Commerce and Industry, the Bank will commence the process of winding up the affairs of the entity.

The Group does not have any subsidiaries with material non-controlling interests.

The interim condensed consolidated financial statements of the Group for the period ended 30 September 2024 were authorised for issuance in accordance with a resolution by the Board of Directors on 14 October 2024.

**(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'ah 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 interim condensed consolidated financial statements have been prepared in accordance with Financial Accounting Standards ("FAS") 41 "Interim financial reporting" issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI") as modified by Qatar Central Bank ("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").

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2024

**2 BASIS OF PREPARATION (continued)****(a) Statement of compliance (continued)**

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.

The interim condensed consolidated financial statements do not contain all information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2023. In addition, results for the nine-month period ended 30 September 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2023.

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

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2023.

**(b) Basis of measurement**

The interim condensed consolidated financial statements have been prepared on the historical cost basis, except for the measurement at fair value of financial investments carried at “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 interim condensed consolidated financial statements are presented in Qatari Riyals (“QAR”), which is the Bank's functional and presentational currency, and all values are rounded to the nearest QAR thousand except when otherwise indicated. 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) New standards, amendments and interpretations****(i) New standards, amendments and interpretations effective from 1 January 2024***FAS 1 – General Presentation and Disclosures in the Financial Statements (Revised 2021)*

AAOIFI has issued FAS 1 (Revised) in 2021. The revised FAS 1 “General Presentation and Disclosures in the Financial Statements” describes and improves the overall presentation and disclosure requirements prescribed in line with the global best practices and supersedes the earlier FAS 1. The objective of this standard is to align the accounting treatments and the reporting requirements for the Islamic financial institutions to the maximum possible extent with the generally accepted accounting principles without compromising the Shari'a requirements and nature of Islamic financial transactions and institutions.

The revision of FAS 1 is in line with the modifications made to the AAOIFI conceptual framework for financial reporting.

The Accounting Board (“AAB”) of AAOIFI decided to defer the effective date of this standard from 1 January 2023 to 1 January 2024 with early adoption encouraged.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2024

**2 BASIS OF PREPARATION (continued)****(d) New standards, amendments and interpretations (continued)****(i) New standards, amendments and interpretations effective from 1 January 2024 (continued)**

The Group early adopted the standard during 2023 and applied changes in certain presentation and disclosures in its consolidated financial statements. The Group shall implement any subsequent guidelines or amendments to the standard that may be issued by the QCB. The adoption of this standard did not have any significant impact on recognition and measurement.

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

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

*FAS 40 - Financial Reporting for Islamic Finance Windows*

AAOIFI has issued FAS 40 in 2021. The objective of this revised standard is to establish financial reporting requirements for Islamic finance windows and applicable to all conventional financial institutions providing Islamic financial services through an Islamic finance window. This standard improves upon and supersedes FAS 18 “Islamic Financial Services Offered by Conventional Financial Institutions”. This standard shall be effective for the financial periods beginning on or after 1 January 2024 with early adoption permitted subject to simultaneous adoption of FAS 1 (Revised 2021). The adoption of this standard did not have significant impact on the Group’s interim condensed consolidated financial statements.

**(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 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.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2024

**2 BASIS OF PREPARATION (continued)****(d) New standards, amendments and interpretations (continued)****(ii) New standards, amendments and interpretations issued but not yet effective (continued)***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*.

*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 concept of quasi-equity has been introduced in *FAS 1 – General Presentation and Disclosures in the Financial Statements (Revised 2021)* which was early adopted by the Group in 2023. The Group shall address the requirements of *FAS 45 – Quasi-Equity (Including Investment Accounts)* on the effectivity date of the standard.

*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)*.

During 2023, the Group early adopted *FAS 1 – General Presentation and Disclosures in the Financial Statements (Revised 2021)* which replaces the previous terminologies of "Income Statement of Restricted Investment Owners" with "Statement of Changes in Off-balance Sheet Assets under Management". 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"*.



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2024

**2 BASIS OF PREPARATION (continued)****(e) International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12**

The Parent Bank's jurisdiction ("State of Qatar") is committed to adopting and implementing the Base Erosion and Profit Shifting (BEPS) Pillar Two Anti Global Base Erosion ("GloBE") Rules. These rules incorporate various mechanisms to ensure that large multinational enterprises pay a minimum tax of 15% on excess profits in each jurisdiction they operate in. Notably, Qatar operations of the Parent Bank are presently exempt from income tax, which may be impacted once the Pillar Two Rules are effective.

On 2 February 2023, Law No. 11 of 2022 was published, reaffirming the State of Qatar's commitment to combat international tax avoidance. The legislation also outlined that Executive Regulations, detailing the essential provisions to meet the state's obligations, including a minimum tax rate of not less than 15%, will be issued in due course.

The Group should fall within the scope of Pillar Two based on the revenue threshold and its operations in multiple jurisdictions. However, due to uncertainties and ongoing developments regarding Pillar Two and its implementation date in State of Qatar, the Group is unable to provide a reasonable estimate as of the reporting date. The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Consequently, the Group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Group continues to assess the impact of Pillar Two income tax legislation on its future financial performance.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2024

**3 EXPECTED CREDIT LOSSES (“ECL”)****(a) Expected credit loss / Allowance for impairment**

	Stage 1	Stage 2	Stage 3	Total
<b>Exposure (carrying value) subject to ECL as at 30 September 2024</b>				
- Due from banks and balances with central banks	9,504,522	112,830	-	9,617,352
- Financing assets	71,454,097	36,875,303	6,806,710	115,136,110
- Debt type investments carried at amortised cost	37,707,441	455,418	53,142	38,216,001
- Other exposures subject to credit risk	11,598,380	5,899,813	28,516	17,526,709
	130,264,440	43,343,364	6,888,368	180,496,172
<b>Opening balance of allowance for impairment as at 1 January 2024</b>				
- Due from banks and balances with central banks	779	3	-	782
- Financing assets	47,378	589,960	3,644,132	4,281,470
- Debt type investments carried at amortised cost	5,794	20,448	53,142	79,384
- Other exposures subject to credit risk	6,842	24,437	36,374	67,653
	60,793	634,848	3,733,648	4,429,289
<b>Foreign currency translation for the period</b>				
- Due from banks and balances with central banks	-	-	-	-
- Financing assets	119	179	2	300
- Debt type investments carried at amortised cost	4	-	-	4
- Other exposures subject to credit risk	-	-	-	-
	123	179	2	304
<b>Net transfer between stages</b>				
- Due from banks and balances with central banks	-	-	-	-
- Financing assets	(4,155)	532	3,623	-
- Debt type investments carried at amortised cost	13	(13)	-	-
- Other exposures subject to credit risk	(96)	96	-	-
	(4,238)	615	3,623	-
<b>Charges / (Reversals) for the period (net)</b>				
- Due from banks and balances with central banks	1,480	-	-	1,480
- Financing assets	(651)	152,938	669,367	821,654
- Debt type investments carried at amortised cost	(1,096)	(5,854)	-	(6,950)
- Other exposures subject to credit risk	(2,173)	9,821	(8,355)	(707)
	(2,440)	156,905	661,012	815,477
<b>Write-offs</b>				
- Due from banks and balances with central banks	-	-	-	-
- Financing assets	-	-	(4,256)	(4,256)
- Debt type investments carried at amortised cost	-	-	-	-
- Other exposures subject to credit risk	-	-	-	-
	-	-	(4,256)	(4,256)
<b>Closing balance of allowance for impairment as at 30 September 2024</b>				
- Due from banks and balances with central banks	2,259	3	-	2,262
- Financing assets	42,691	743,609	4,312,868	5,099,168
- Debt type investments carried at amortised cost	4,715	14,581	53,142	72,438
- Other exposures subject to credit risk	4,573	34,354	28,019	66,946
	54,238	792,547	4,394,029	5,240,814

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2024

**3 EXPECTED CREDIT LOSSES (“ECL”) (continued)****(a) Expected credit loss / Allowance for impairment (continued)**

	Stage 1	Stage 2	Stage 3	Total
Exposure (carrying value) subject to ECL as at 30 September 2023				
- Due from banks and balances with central banks	10,107,493	168,096	-	10,275,589
- Financing assets	74,874,549	32,495,814	7,433,032	114,803,395
- Debt type investments carried at amortised cost	35,710,525	609,734	53,142	36,373,401
- Other exposures subject to credit risk	9,731,231	3,209,258	37,465	12,977,954
	130,423,798	36,482,902	7,523,639	174,430,339
Opening balance of allowance for impairment as at 1 January 2023				
- Due from banks and balances with central banks	12,292	2,541	-	14,833
- Financing assets	64,157	392,046	3,388,444	3,844,647
- Debt type investments carried at amortised cost	30,025	22,325	57,162	109,512
- Other exposures subject to credit risk	25,507	33,204	79,384	138,095
	131,981	450,116	3,524,990	4,107,087
Foreign currency translation for the period				
- Due from banks and balances with central banks	-	-	-	-
- Financing assets	946	1	(309)	638
- Debt type investments carried at amortised cost	-	-	-	-
- Other exposures subject to credit risk	-	-	-	-
	946	1	(309)	638
Net transfer between stages				
- Due from banks and balances with central banks	-	-	-	-
- Financing assets	(4,787)	3,701	1,086	-
- Debt type investments carried at amortised cost	-	-	-	-
- Other exposures subject to credit risk	(1,108)	1,103	5	-
	(5,895)	4,804	1,091	-
Charges / (Reversals) for the period (net)				
- Due from banks and balances with central banks	(11,028)	(2,502)	-	(13,530)
- Financing assets	(25,472)	166,627	871,601	1,012,756
- Debt type investments carried at amortised cost	(19,003)	(2,308)	(4,020)	(25,331)
- Other exposures subject to credit risk	(19,265)	(9,968)	(39,389)	(68,622)
	(74,768)	151,849	828,192	905,273
Write-offs				
- Due from banks and balances with central banks	-	-	-	-
- Financing assets	-	-	(2,003)	(2,003)
- Debt type investments carried at amortised cost	-	-	-	-
- Other exposures subject to credit risk	-	-	-	-
	-	-	(2,003)	(2,003)
Closing balance of allowance for impairment as at 30 September 2023				
- Due from banks and balances with central banks	1,264	39	-	1,303
- Financing assets	34,844	562,375	4,258,819	4,856,038
- Debt type investments carried at amortised cost	11,022	20,017	53,142	84,181
- Other exposures subject to credit risk	5,134	24,339	40,000	69,473
	52,264	606,770	4,351,961	5,010,995

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2024

**3 EXPECTED CREDIT LOSSES (“ECL”) (continued)****(b) Credit quality assessments**

The table below provides an analysis of counterparties by rating grades and credit quality of the Group’s credit risk, based on Moody’s ratings (or their equivalent):

Rating grade	Due from banks and balances with central banks	Financing assets	Debt type investments carried at amortised cost	Other exposures subject to credit risk
AAA to AA-	7,599,520	55,752,358	33,467,308	3,089,943
A+ to A-	1,354,035	8,244,073	2,874,867	4,424,175
BBB+ to BBB-	-	13,294,039	345,498	3,749,924
BB+ to B-	550,985	17,228,501	1,361,966	5,219,114
Unrated	112,812	20,617,139	166,362	1,043,553
<b>Total as at 30 September 2024</b>	<b>9,617,352</b>	<b>115,136,110</b>	<b>38,216,001</b>	<b>17,526,709</b>

Rating grade	Due from banks and central banks	Financing assets	Debt type investments carried at amortised cost	Other exposures subject to credit risk
AAA to AA-	6,148,999	56,347,434	32,933,272	1,403,821
A+ to A-	3,554,533	7,920,687	2,969,022	3,397,572
BBB+ to BBB-	657	14,092,524	387,334	2,839,001
BB+ to B-	378,110	15,409,953	1,577,739	4,312,355
Unrated	127,119	18,739,053	278,708	318,435
<b>Totals as of 31 December 2023</b>	<b>10,209,418</b>	<b>112,509,651</b>	<b>38,146,075</b>	<b>12,271,184</b>

Rating grade	Due from banks and balances with central banks	Financing assets	Debt type investments carried at amortised cost	Other exposures subject to credit risk
AAA to AA-	5,088,605	57,455,490	31,867,222	1,508,924
A+ to A-	4,641,508	7,581,836	2,324,993	3,818,857
BBB+ to BBB-	506	16,011,852	278,274	2,666,696
BB+ to B-	376,876	14,432,816	1,665,077	4,578,251
Unrated	168,094	19,321,401	237,835	405,226
<b>Total as at 30 September 2023</b>	<b>10,275,589</b>	<b>114,803,395</b>	<b>36,373,401</b>	<b>12,977,954</b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2024

## 4 FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS

	<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>30 September 2024</b>					
<b>(Reviewed)</b>					
Cash and balances with central banks	-	-	5,978,380	5,978,380	5,978,380
Due from banks	-	-	4,254,450	4,254,450	4,254,450
Financing assets	-	-	110,036,942	110,036,942	110,036,942
Investment securities:					
- Measured at fair value	285,018	603,319	-	888,337	888,337
- Measured at amortised cost	-	-	38,143,563	38,143,563	38,562,420
Financial assets held by a non-Shari'a-compliant subsidiary	-	72,118	2,919,103	2,991,221	2,988,335
Other assets	-	-	6,655	6,655	6,655
Shari'a-compliant risk management instruments	297,113	-	-	297,113	297,113
	<b>582,131</b>	<b>675,437</b>	<b>161,339,093</b>	<b>162,596,661</b>	<b>163,012,632</b>
Due to banks	-	-	16,222,846	16,222,846	16,222,846
Customer current accounts	-	-	7,788,435	7,788,435	7,788,435
Sukuk and debt financing	-	-	5,204,507	5,204,507	5,137,692
Other borrowings	-	-	6,049,871	6,049,871	6,049,871
Financial liabilities of a non-Shari'a-compliant subsidiary	-	-	2,083,856	2,083,856	2,083,856
Other liabilities	-	-	914,938	914,938	914,938
Participatory investment accounts	-	-	100,846,980	100,846,980	100,846,980
Shari'a-compliant risk management instruments	94,325	-	-	94,325	94,325
	<b>94,325</b>	<b>-</b>	<b>139,111,433</b>	<b>139,205,758</b>	<b>139,138,943</b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2024

**4 FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (continued)**

	<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>
31 December 2023 (Audited)					
Cash and balances with central banks	-	-	4,993,280	4,993,280	4,993,280
Due from banks	-	-	5,662,554	5,662,554	5,662,554
Financing assets	-	-	108,228,181	108,228,181	108,228,181
Investment securities:					
- Measured at fair value	-	532,282	-	532,282	532,282
- Measured at amortised cost	-	-	38,066,691	38,066,691	37,809,523
Financial assets held by a non-Shari'a-compliant subsidiary	-	70,871	2,925,161	2,996,032	2,930,668
Other assets	-	-	3,191	3,191	3,191
Shari'a-compliant risk management instruments	442,905	-	-	442,905	442,905
	<u>442,905</u>	<u>603,153</u>	<u>159,879,058</u>	<u>160,925,116</u>	<u>160,602,584</u>
Due to banks	-	-	32,204,024	32,204,024	32,204,024
Customer current accounts	-	-	7,924,383	7,924,383	7,924,383
Sukuk financing	-	-	5,235,937	5,235,937	5,053,775
Other borrowings	-	-	4,585,513	4,585,513	4,585,513
Financial liabilities of a non-Shari'a-compliant subsidiary	-	-	2,103,094	2,103,094	2,103,094
Other liabilities	-	-	1,156,443	1,156,443	1,156,443
Participatory investment accounts	-	-	84,799,440	84,799,440	84,799,440
Shari'a-compliant risk management instruments	138,499	-	-	138,499	138,499
	<u>138,499</u>	<u>-</u>	<u>138,008,834</u>	<u>138,147,333</u>	<u>137,965,171</u>

(i) *Valuation of financial instruments*

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.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2024

**4 FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (continued)***(i) Valuation of financial instruments (continued)*

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, and other valuation models. 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:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
<b>30 September 2024 (Reviewed)</b>				
<b>Financial assets</b>				
Shari'a-compliant risk management instruments	-	297,113	-	297,113
Investment securities	689,386	198,951	-	888,337
Assets held by a non-Shari'a-compliant subsidiary	72,118	-	-	72,118
	<u>761,504</u>	<u>496,064</u>	<u>-</u>	<u>1,257,568</u>
<b>Financial liabilities</b>				
Shari'a-compliant risk management instruments	-	94,325	-	94,325
	<u>-</u>	<u>94,325</u>	<u>-</u>	<u>94,325</u>
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
<b>31 December 2023 (Audited)</b>				
<b>Financial assets</b>				
Shari'a-compliant risk management instruments	-	442,905	-	442,905
Investment securities	412,891	119,391	-	532,282
Assets held by a non-Shari'a-compliant subsidiary	70,871	-	-	70,871
	<u>483,762</u>	<u>562,296</u>	<u>-</u>	<u>1,046,058</u>
<b>Financial liabilities</b>				
Shari'a-compliant risk management instruments	-	138,499	-	138,499
	<u>-</u>	<u>138,499</u>	<u>-</u>	<u>138,499</u>

The fair values of financial assets and financial liabilities carried at amortized cost are equal to 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 38,562 million (31 December 2023: QAR 37,810 million), which is derived using Level 1 and 2 fair value hierarchies.

During the reporting periods ended 30 September 2024 and 31 December 2023, there were no transfers among Levels 1, 2 and 3 fair value measurements.

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the nine-month period ended 30 September 2024

**5 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 management 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 and revenues 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.



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2024

**5 OPERATING SEGMENTS (continued)***Information about operating segments*

<b>30 September 2024 (Reviewed)</b>	<i>Corporate Banking</i>	<i>Retail Banking</i>	<i>Treasury and Financial Institutions</i>	<i>Asset Management</i>	<i>International Operations</i>	<i>Unallocated</i>	<i>Total</i>
<i>External revenue:</i>							
Income from financing and investing activities, net of finance expense	3,717,871	1,353,133	350,834	13,005	548,748	-	5,983,591
Net fee and commission income	114,443	61,239	15,506	31,982	37	-	223,207
Foreign exchange gain / (loss) (net)	-	-	161,999	3	(359)	-	161,643
Share of results of associates	-	-	-	-	-	55,159	55,159
Loss on sale of an associate	-	-	-	-	-	(10,515)	(10,515)
Other income	-	-	-	2,180	639	87,948	90,767
<b>Total segment income, net of finance expense</b>	<b>3,832,314</b>	<b>1,414,372</b>	<b>528,339</b>	<b>47,170</b>	<b>549,065</b>	<b>132,592</b>	<b>6,503,852</b>
Net profit attributable to quasi-equity	(1,653,086)	(807,583)	(935,840)	-	(340,180)	-	(3,736,689)
Net impairment losses on financing assets	(532,105)	(204,460)	-	-	(1,810)	-	(738,375)
Net impairment reversals on investments	-	-	4,727	2,223	-	-	6,950
Net impairment reversals / (losses) on due from banks and other exposures subject to credit risk	6,898	(460)	(7,271)	60	-	-	(773)
Operating expenses	-	-	-	(11,592)	(126,517)	(562,823)	(700,932)
Intersegment (cost) / income	(883,631)	246,473	637,158	-	-	-	-
<b>Reportable segment profit / (loss) before tax</b>	<b>770,390</b>	<b>648,342</b>	<b>227,113</b>	<b>37,861</b>	<b>80,558</b>	<b>(430,231)</b>	<b>1,334,033</b>
<b>Reportable segment assets</b>	<b>75,152,599</b>	<b>25,208,599</b>	<b>39,935,836</b>	<b>312,501</b>	<b>15,997,047</b>	<b>9,154,180</b>	<b>165,760,762</b>
<b>Reportable segment liabilities</b>	<b>4,366,146</b>	<b>2,593,535</b>	<b>26,977,686</b>	<b>13,796</b>	<b>3,566,178</b>	<b>2,153,944</b>	<b>39,671,285</b>
<b>Reportable segment quasi-equity</b>	<b>41,006,713</b>	<b>25,400,156</b>	<b>23,699,728</b>	<b>-</b>	<b>10,740,383</b>	<b>-</b>	<b>100,846,980</b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2024

**5 OPERATING SEGMENTS (continued)***Information about operating segments (continued)*

30 September 2023 (Reviewed)	<i>Corporate Banking</i>	<i>Retail Banking</i>	<i>Treasury and Financial Institutions</i>	<i>Asset Management</i>	<i>International Operations</i>	<i>Unallocated</i>	<i>Total</i>
<i>External revenue:</i>							
Income from financing and investing activities, net of finance expense	3,622,926	1,242,344	(391,231)	7,487	452,551	-	4,934,077
Net fee and commission income	134,335	55,703	12,357	40,572	995	-	243,962
Foreign exchange gain / (loss) (net)	-	-	137,962	-	(173)	-	137,789
Share of results of associates	-	-	-	-	-	37,259	37,259
Gain on sale of an associate	-	-	-	-	-	16,618	16,618
Other income	-	-	-	-	-	86,104	86,104
<b>Total segment income, net of finance expense</b>	<b>3,757,261</b>	<b>1,298,047</b>	<b>(240,912)</b>	<b>48,059</b>	<b>453,373</b>	<b>139,981</b>	<b>5,455,809</b>
Net profit attributable to quasi-equity	(1,480,971)	(625,495)	(387,263)	-	(201,466)	-	(2,695,195)
Net impairment losses on financing assets	(557,870)	(365,222)	-	-	(4,709)	-	(927,801)
Net impairment reversals on investments	-	-	15,065	1,434	-	-	16,499
Net impairment reversals / (losses) on due from banks and other exposures subject to credit risk	31,538	(35)	49,844	805	-	-	82,152
Operating expenses	-	-	-	(12,977)	(121,700)	(500,723)	(635,400)
Intersegment (cost) / income	(1,043,180)	213,041	830,139	-	-	-	-
<b>Reportable segment profit / (loss) before tax</b>	<b>706,778</b>	<b>520,336</b>	<b>266,873</b>	<b>37,321</b>	<b>125,498</b>	<b>(360,742)</b>	<b>1,296,064</b>
31 December 2023 (Audited)							
Reportable segment assets	75,432,195	23,983,159	41,438,496	369,045	14,508,853	8,467,787	164,199,535
Reportable segment liabilities	4,728,509	2,503,533	41,621,183	16,029	3,340,179	2,384,163	54,593,596
Reportable segment quasi-equity	42,746,594	23,738,398	8,929,392	-	9,385,056	-	84,799,440

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2024

**6 FINANCING ASSETS**

	<i>30 September 2024 (Reviewed)</i>	<i>31 December 2023 (Audited)</i>	<i>30 September 2023 (Reviewed)</i>
<b>(a) By type</b>			
Receivables and balances from financing activities:			
Murabaha	<b>86,558,775</b>	81,428,131	83,588,432
Ijarah Muntahia Bittamleek	<b>32,297,984</b>	34,329,766	35,179,063
Istisna'a	<b>86,000</b>	79,163	57,384
Musharaka	<b>4,482,320</b>	4,569,759	4,440,093
Others	<b>357,812</b>	428,225	417,350
Accrued profit	<b>1,722,856</b>	1,402,216	1,339,253
<b>Total financing assets</b>	<b><u>125,505,747</u></b>	<u>122,237,260</u>	<u>125,021,575</u>
Deferred profit	<b>(10,369,637)</b>	(9,727,609)	(10,218,180)
Allowance for impairment - Performing (Stages 1 and 2)*	<b>(783,541)</b>	(633,553)	(593,312)
Allowance for impairment - Non-performing (Stage 3)*	<b>(3,803,357)</b>	(3,218,926)	(3,714,123)
Profit in suspense*	<b>(512,270)</b>	(428,991)	(548,603)
<b>Net financing assets</b>	<b><u>110,036,942</u></b>	<u>108,228,181</u>	<u>109,947,357</u>

\*For stage-wise exposure and allowance for impairment, refer to Note 3(a).

The total non-performing financing assets net of deferred profit at 30 September 2024 amounted to QAR 6,807 million representing 5.91% of the gross financing assets net of deferred profit (31 December 2023: QAR 6,425 million representing 5.71% of the gross financing assets net of deferred profit; 30 September 2023: QAR 7,433 million representing 6.47% of the gross financing assets net of deferred profit).

**(b) Movement in the allowance for impairment and profit in suspense on financing assets**

	<i>Allowance for impairment</i>	<i>Profit in suspense</i>	<i>30 September 2024 (Reviewed)</i>
Balance as at 1 January	<b>3,852,479</b>	<b>428,991</b>	<b>4,281,470</b>
Charge for the period	<b>991,443</b>	<b>90,728</b>	<b>1,082,171</b>
Recoveries / reversals during the period	<b>(253,068)</b>	<b>(7,449)</b>	<b>(260,517)</b>
Write off during the period	<b>(4,256)</b>	-	<b>(4,256)</b>
Effect of foreign currency movement	<b>300</b>	-	<b>300</b>
<b>Balance as at 30 September</b>	<b><u>4,586,898</u></b>	<b><u>512,270</u></b>	<b><u>5,099,168</u></b>
	<i>Allowance for impairment</i>	<i>Profit in suspense</i>	<i>31 December 2023 (Audited)</i>
Balance as at 1 January	3,380,999	463,648	3,844,647
Charge for the year	1,446,252	135,005	1,581,257
Recoveries / reversals during the year	(176,066)	(17,320)	(193,386)
Write-off during the year	(800,527)	(152,342)	(952,869)
Effect of foreign currency movement	1,821	-	1,821
<b>Balance at 31 December</b>	<b><u>3,852,479</u></b>	<b><u>428,991</u></b>	<b><u>4,281,470</u></b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2024

**6 FINANCING ASSETS (continued)****(b) Movement in the allowance for impairment and profit in suspense on financing assets (continued)**

	<i>Allowance for impairment</i>	<i>Profit in suspense</i>	<i>30 September 2023 (Reviewed)</i>
Balance as at 1 January	3,380,999	463,648	3,844,647
Charge for the period	1,108,189	99,974	1,208,163
Recoveries / reversals during the period	(180,388)	(15,019)	(195,407)
Write off during the period	(2,003)	-	(2,003)
Effect of foreign currency movement	638	-	638
	<u>4,307,435</u>	<u>548,603</u>	<u>4,856,038</u>

**7 INVESTMENT SECURITIES**

	<i>30 September 2024 (Reviewed)</i>	<i>31 December 2023 (Audited)</i>	<i>30 September 2023 (Reviewed)</i>
<i>Debt-type investments classified as fair value through income statement</i>			
Fixed profit rate – Quoted	<b>208,651</b>	-	-
Fixed profit rate – Unquoted	<b>74,000</b>	-	-
Accrued profit	<b>2,367</b>	-	-
	<u>285,018</u>	-	-
<i>Debt-type investments classified as amortised cost</i>			
Fixed profit rate - Quoted	<b>5,098,874</b>	5,067,149	4,584,081
Fixed profit rate - Unquoted	<b>78,142</b>	53,142	53,142
Floating profit rate - Quoted	<b>454,403</b>	413,754	370,070
Government of Qatar - Quoted	<b>2,285,497</b>	2,259,578	2,189,193
Government of Qatar - Unquoted	<b>29,910,108</b>	29,988,145	28,819,980
Accrued profit	<b>388,977</b>	364,307	356,935
Less: Allowance for impairment*	<b>(72,438)</b>	(79,384)	(84,181)
	<u>38,143,563</u>	<u>38,066,691</u>	<u>36,289,220</u>
<i>Equity-type investments classified as fair value through other comprehensive income</i>			
- Quoted	<b>476,024</b>	409,281	403,541
- Unquoted	<b>124,429</b>	119,391	115,607
Accrued profit	<b>2,866</b>	3,610	3,061
	<u>603,319</u>	<u>532,282</u>	<u>522,209</u>
	<u><b>39,031,900</b></u>	<u>38,598,973</u>	<u>36,811,429</u>

\*For stage-wise exposure and allowance for impairment, refer to Note 3(a).

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2024

**7 INVESTMENT SECURITIES (continued)**

The cumulative change in the fair value of investment securities classified as fair value through other comprehensive income during the period / year is as follows:

	<i>30 September 2024 (Reviewed)</i>	<i>31 December 2023 (Audited)</i>	<i>30 September 2023 (Reviewed)</i>
<i>Positive fair value reserve:</i>			
Balance at 1 January	62,655	45,140	45,140
Net change in fair value	<u>6,163</u>	<u>17,515</u>	<u>11,043</u>
Balance at 30 September / 31 December	<u>68,818</u>	<u>62,655</u>	<u>56,183</u>
<i>Negative fair value reserve:</i>			
Balance at 1 January	(16,910)	(12,230)	(12,230)
Net change in fair value	4,210	(5,197)	(7,103)
Transfer to retained earnings upon disposal	<u>1,495</u>	<u>517</u>	<u>-</u>
Balance at 30 September / 31 December	<u>(11,205)</u>	<u>(16,910)</u>	<u>(19,333)</u>
<b>Total fair value reserve at 30 September / 31 December</b>	<b><u>57,613</u></b>	<b><u>45,745</u></b>	<b><u>36,850</u></b>

**8 INVESTMENT IN ASSOCIATES**

Movement in investment in associates during the period / year is as follows:

	<i>30 September 2024 (Reviewed)</i>	<i>31 December 2023 (Audited)</i>	<i>30 September 2023 (Reviewed)</i>
Balance at 1 January	348,556	345,878	345,878
Share of results	55,159	50,856	37,259
Cash dividend received	(22,150)	(11,500)	(11,500)
Share of other comprehensive income	1,138	(4,555)	(4,497)
Disposals <sup>1</sup>	(42,515)	(23,053)	(23,053)
Effect of foreign currency movement	(57)	-	-
Impairment loss	<u>-</u>	<u>(9,070)</u>	<u>(8,832)</u>
Balance at 30 September / 31 December	<u>340,131</u>	<u>348,556</u>	<u>335,255</u>

<sup>1</sup> During the period, the Group fully disposed of its 50% stake in Ci-San Trading W.L.L. (30 September 2023: the Group disposed of 5% of its 20% stake in Damaan Islamic Insurance Company "Beema" (Q.P.S.C.). The Group retained significant influence over Beema after the disposal).

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2024

**9 DUE TO BANKS**

	<i>30 September 2024 (Reviewed)</i>	<i>31 December 2023 (Audited)</i>	<i>30 September 2023 (Reviewed)</i>
Current and short-term investment accounts	<b>359,581</b>	507,236	773,978
Commodity murabaha payable	<b>1,509,095</b>	972,763	375,729
Wakala payable	<b>11,104,370</b>	27,968,657	25,678,866
Repurchase agreements	<b>3,170,446</b>	2,604,966	2,920,772
Profit payable to banks	<b>79,354</b>	150,402	114,139
	<b><u>16,222,846</u></b>	<b><u>32,204,024</u></b>	<b><u>29,863,484</u></b>

The market value of securities given as collateral against the repurchase agreements are QAR 3,389 million (31 December 2023: QAR 2,803 million; 30 September 2023: QAR 3,087 million).

**10 SUKUK AND DEBT FINANCING**

	<i>30 September 2024 (Reviewed)</i>	<i>31 December 2023 (Audited)</i>	<i>30 September 2023 (Reviewed)</i>
Face value of sukuk and debt financing	<b>5,173,174</b>	5,199,347	7,708,432
Less: Unamortised transaction costs	<b>(1,223)</b>	(2,650)	(3,207)
Add: Net IFRS 3 adjustments arising from business combination	-	-	1,604
Profit payable	<b>32,556</b>	39,240	78,867
	<b><u>5,204,507</u></b>	<b><u>5,235,937</u></b>	<b><u>7,785,696</u></b>

The movement in sukuk and debt financing issued by the Group during the period / year is as follows:

	<i>30 September 2024 (Reviewed)</i>	<i>31 December 2023 (Audited)</i>	<i>30 September 2023 (Reviewed)</i>
Balance at 1 January	<b>5,235,937</b>	7,682,176	7,682,176
Net issuances during the period / year	-	546,075	546,076
Repayments during the period / year	<b>(143,804)</b>	(3,202,902)	(604,518)
Amortisation of transaction costs	<b>1,427</b>	3,826	3,269
Amortisation of IFRS 3 adjustments arising from business combination	-	(50,547)	(48,943)
Effect of foreign currency movement	<b>(334)</b>	(2,761)	(5,621)
Finance expense for the period / year	<b>111,281</b>	260,070	213,257
Balance at 30 September / 31 December	<b><u>5,204,507</u></b>	<b><u>5,235,937</u></b>	<b><u>7,785,696</u></b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2024

**11 OTHER BORROWINGS**

The movement in other borrowings issued by the Group during the period / year is as follows:

	<i>30 September 2024 (Reviewed)</i>	<i>31 December 2023 (Audited)</i>	<i>30 September 2023 (Reviewed)</i>
Balance at 1 January	<b>4,585,513</b>	3,843,236	3,843,236
Net issuances during the period / year	<b>1,454,288</b>	1,442,820	1,447,553
Repayments during the period / year	<b>(48,938)</b>	(756,302)	(756,302)
Amortisation of transaction costs	<b>9,826</b>	6,821	5,195
Profit payable on borrowings	<b>49,182</b>	48,938	45,786
	<b><u>6,049,871</u></b>	<u>4,585,513</u>	<u>4,585,468</u>
Balance at 30 September / 31 December			

**12 PARTICIPATORY INVESTMENT ACCOUNTS**

	<i>30 September 2024 (Reviewed)</i>	<i>31 December 2023 (Audited)</i>	<i>30 September 2023 (Reviewed)</i>
Saving accounts	<b>7,504,928</b>	6,932,384	6,914,158
Term accounts	<b>87,699,615</b>	72,588,787	71,560,824
Short-term investment accounts	<b>4,999,522</b>	4,684,237	3,996,112
Profit payable to participatory investment accounts	<b>640,593</b>	592,247	637,540
Share in the fair value reserve	<b>2,322</b>	1,785	1,402
	<b><u>100,846,980</u></b>	<u>84,799,440</u>	<u>83,110,036</u>

**13 EQUITY****(a) Share capital**

	<i>30 September 2024 (Reviewed)</i>	<i>31 December 2023 (Audited)</i>	<i>30 September 2023 (Reviewed)</i>
<i>Authorised - Issued and fully paid</i> 9,300,000,000 shares at QAR 1 each	<b><u>9,300,000</u></b>	<u>9,300,000</u>	<u>9,300,000</u>

**(b) Legal reserve**

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 paid up capital. No transfer has been made for the period ended 30 September 2024, as legal reserve reached 100% of the paid up capital.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2024

**13 EQUITY (continued)****(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. No transfer has been made for the period ended 30 September 2024 as Masraf will transfer the required amount by 31 December 2024.

**(d) Fair value reserve**

	<i>30 September 2024 (Reviewed)</i>	<i>31 December 2023 (Audited)</i>	<i>30 September 2023 (Reviewed)</i>
Balance at 1 January	41,439	32,844	32,844
Net unrealised gains	10,373	12,318	3,940
Share of other comprehensive income of associates	1,139	(4,792)	(4,497)
Transfer to consolidated income statement	-	951	951
Transfer to retained earnings upon disposal of FVOCI equity investments	1,495	517	-
Share in the reserve attributable to quasi-equity	(537)	(399)	(16)
Net fair value movement	12,470	8,595	378
Balance at 30 September / 31 December (shareholders' share)	<u>53,909</u>	<u>41,439</u>	<u>33,222</u>

**(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>30 September 2024 (Reviewed)</i>	<i>31 December 2023 (Audited)</i>	<i>30 September 2023 (Reviewed)</i>
Share in profit from investment in associates, net of cash dividend	124,833	152,394	140,512
Share in the associate's actuarial gain on employees' defined benefit obligations	236	238	-
	<u>125,069</u>	<u>152,632</u>	<u>140,512</u>



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2024

**13 EQUITY (continued)****(f) Other reserves (continued)**

The movement in other reserves during the period / year is as follows:

	<b>30 September 2024 (Reviewed)</b>	<b>31 December 2023 (Audited)</b>	<b>30 September 2023 (Reviewed)</b>
Balance at 1 January	<b>152,632</b>	140,512	140,512
Share of results of associates	-	50,856	-
Dividends received from associates	-	(11,500)	-
Share in the associate's actuarial gain on employees' defined benefit obligations	<b>(2)</b>	238	-
Relating to disposal of associates	<b>(27,561)</b>	(13,900)	-
Other movement	-	(13,574)	-
	<b>125,069</b>	152,632	140,512
Balance at 30 September / 31 December	<b>125,069</b>	152,632	140,512

No transfer has been made for the period ended 30 September 2024, as Masraf will transfer the share of results of associates to other reserves by 31 December 2024.

**(g) Dividend**

On 25 March 2024, the General Assembly approved a cash dividend of 10% of the paid up share capital (2023: 10%) amounting to QAR 930 million (2023: QAR 930 million).

**14 NON-CONTROLLING INTEREST**

This represents the non-controlling interest in Al Rayan (UK) Limited (25%), and effectively, Al Rayan Bank PLC (26.24%) (Note 1) (31 December 2023: Al Rayan (UK) Limited - 25%, and effectively, Al Rayan Bank PLC - 26.24%).

**15 CONTINGENT LIABILITIES AND COMMITMENTS****(a) Contingent liabilities**

	<b>30 September 2024 (Reviewed)</b>	<b>31 December 2023 (Audited)</b>	<b>30 September 2023 (Reviewed)</b>
Unutilised credit facilities	<b>7,041,954</b>	5,782,548	7,545,686
Guarantees	<b>9,251,240</b>	10,293,322	10,899,806
Letters of credit	<b>1,224,019</b>	1,191,794	1,141,834
	<b>17,517,213</b>	17,267,664	19,587,326
Contingent liabilities of a non-Shari'a-compliant subsidiary <sup>1</sup>	<b>317,296</b>	412,088	352,696

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2024

**15 CONTINGENT LIABILITIES AND COMMITMENTS (continued)****(a) Contingent liabilities (continued)**<sup>1</sup> Contingent liabilities of a non-Shari'a-compliant subsidiary consist of the following:

	<i>30 September 2024 (Reviewed)</i>	<i>31 December 2023 (Audited)</i>	<i>30 September 2023 (Reviewed)</i>
Unutilised credit facilities	<b>149,139</b>	223,191	149,985
Guarantees	<b>165,358</b>	182,350	194,907
Letters of credit	<b>2,799</b>	6,547	7,804
	<b>317,296</b>	412,088	352,696

**(b) Other undertakings and commitments**

	<i>30 September 2024 (Reviewed)</i>	<i>31 December 2023 (Audited)</i>	<i>30 September 2023 (Reviewed)</i>
Profit rate swap	<b>5,565,092</b>	6,245,669	6,573,315
Unilateral promise to buy/sell currencies	<b>7,204,577</b>	12,738,032	11,450,452
Currency swap	<b>33,225</b>	68,413	68,413
	<b>12,802,894</b>	19,052,114	18,092,180
	<i>30 September 2024 (Reviewed)</i>	<i>31 December 2023 (Audited)</i>	<i>30 September 2023 (Reviewed)</i>
Capital and other commitments	<b>146,837</b>	125,397	125,397
	<i>30 September 2024 (Reviewed)</i>	<i>31 December 2023 (Audited)</i>	<i>30 September 2023 (Reviewed)</i>
<b>Total contingent liabilities and commitments</b>	<b>30,784,240</b>	36,857,263	38,157,599

**16 BASIC AND DILUTED EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares outstanding during the period.

	<i>For the nine-month period ended 30 September</i>	
	<i>2024 (Reviewed)</i>	<i>2023 (Reviewed)</i>
Net profit for the period attributable to equity holders of the Bank	<b>1,288,220</b>	1,237,645
Weighted average number of shares outstanding during the period (thousand)	<b>9,300,000</b>	9,300,000
Basic earnings per share (QAR)	<b>0.139</b>	0.133

There were no potentially dilutive shares outstanding at any time during the period. Therefore, the diluted earnings per share are equal to the basic earnings per share.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2024

**17 CASH AND CASH EQUIVALENTS**

For the purpose of the interim consolidated statement of cash flows, cash and cash equivalents comprise the following balances with original maturities of less than three months:

	<i>30 September 2024 (Reviewed)</i>	<i>30 September 2023 (Reviewed)</i>
Cash on hand and balances with QCB excluding cash reserve	<b>715,791</b>	1,202,060
Due from banks	<b>3,708,331</b>	5,215,304
Investment securities	<b>621,106</b>	361,251
Add: Allowance for impairment	<b>5</b>	87
	<b><u>5,045,233</u></b>	<b><u>6,778,702</u></b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2024

**18 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**

	30 September 2024 (Reviewed)			31 December 2023 (Audited)			30 September 2023 (Reviewed)		
	Associate companies	Board of Directors <sup>1</sup>	Major shareholders <sup>2</sup>	Associate companies	Board of Directors <sup>1</sup>	Major shareholders <sup>2</sup>	Associate companies	Board of Directors <sup>1</sup>	Major shareholders <sup>2</sup>
<b>Consolidated statement of financial position items:</b>									
Financing assets	-	12,126	4,046,562	-	13,369	3,688,735	-	17,759	3,668,183
Customer current accounts	75,824	60,998	-	105,420	50,854	-	68,537	81,643	-
Participatory investment accounts	56,962	220,480	18,282,963	21,564	192,636	18,372,565	13,280	149,537	18,545,125
Other liabilities	-	-	101,811	-	-	100,625	-	-	96,045
<b>Contingent liabilities:</b>									
Letters of credit	-	500	-	-	1,000	-	-	707	-
Guarantees	132,220	158,392	-	125,852	102,822	-	128,452	99,313	-

*For the nine-month period ended  
30 September*

	2024 (Reviewed)			2023 (Reviewed)		
	Associate companies	Board of Directors <sup>1</sup>	Major shareholders <sup>2</sup>	Associate companies	Board of Directors <sup>1</sup>	Major shareholders <sup>2</sup>
<b>Consolidated income statement items:</b>						
Income from financing activities	-	626	138,771	-	866	118,101
Net profit attributable to quasi-equity	1,958	8,073	751,837	975	5,822	625,369
Operating expenses	15,676	-	-	12,201	-	-

<sup>1</sup> Includes close family members

<sup>2</sup> Major shareholders owning directly or indirectly 5% or more of the Bank's share capital

<sup>3</sup> 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.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2024

**18 RELATED PARTIES (continued)****(b) Transactions with key management personnel**

The remuneration of directors and other members of key management during the period were as follows:

	<i>For the nine-month period ended 30 September</i>	
	<b>2024</b> <i>(Reviewed)</i>	<b>2023</b> <i>(Reviewed)</i>
Remuneration to Board of Directors including meeting allowances	<u>16,127</u>	<u>15,625</u>
<i>Key management</i>		
Short term employee benefits	<b>15,228</b>	14,161
Other long term benefits	<b>691</b>	413
	<u><b>15,919</b></u>	<u>14,574</u>

**19 CAPITAL ADEQUACY RATIO**

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the period. 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 the revised Basel III Framework and the Islamic Financial Services Board (“IFSB”) 23 Standard in calculating its capital adequacy ratio.

	<b>30 September 2024</b> <i>(Reviewed)</i>	<b>31 December 2023</b> <i>(Audited)</i>	<b>30 September 2023</b> <i>(Reviewed)</i>
Common Equity Tier 1 (CET 1) capital	<b>21,335,479</b>	21,263,127	20,728,540
Additional Tier 1 capital	<b>1,029,570</b>	1,000,000	1,000,000
Tier 2 capital	<b>1,074,608</b>	933,017	916,513
Total regulatory capital	<u><b>23,439,657</b></u>	<u>23,196,144</u>	<u>22,645,053</u>
<b>Risk weighted assets</b>			
Risk weighted assets for credit risk	<b>90,221,466</b>	98,441,078	98,249,087
Risk weighted assets for market risk	<b>3,584,486</b>	197,152	377,449
Risk weighted assets for operational risk	<b>6,619,416</b>	7,549,804	6,964,249
Total risk weighted assets	<u><b>100,425,368</b></u>	<u>106,188,034</u>	<u>105,590,785</u>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2024

**19 CAPITAL ADEQUACY RATIO (continued)**

	CET 1 ratio without capital conservation buffer	CET 1 ratio including capital conservation buffer	Tier 1 capital ratio including capital conservation buffer	Tier 1 and 2 capital ratio including capital conservation 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
<b>30 September 2024</b>						
Actual	<b>21.25%</b>	<b>21.25%</b>	<b>22.27%</b>	<b>23.34%</b>	<b>23.34%</b>	<b>23.34%</b>
Minimum QCB limit	<b>6.00%</b>	<b>8.50%</b>	<b>10.50%</b>	<b>12.50%</b>	<b>13.50%</b>	<b>15.89%</b>
<b>31 December 2023</b>						
Actual	20.02%	20.02%	20.97%	21.84%	21.84%	21.84%
Minimum QCB limit	6.00%	8.50%	10.50%	12.50%	13.50%	15.89%
<b>30 September 2023</b>						
Actual	19.63%	19.63%	20.58%	21.45%	21.45%	21.45%
Minimum QCB limit	6.00%	8.50%	10.50%	12.50%	13.50%	15.38%

<sup>1</sup> Domestic Systemically Important Bank**20 DISCLOSURE OF SOURCES AND APPLICATION OF CHARITY FUND FOR THE PERIOD**

	<i>For the nine-month period ended 30 September</i>	
	<b>2024</b> <i>(Reviewed)</i>	<b>2023</b> <i>(Reviewed)</i>
<b>Sources of charity fund</b>		
Undistributed charity fund as at 1 January	<b>133,265</b>	46,745
Net earnings prohibited by Shari'a during the period	<b>48,928</b>	77,338
<b>Total source of charity fund</b>	<b>182,193</b>	124,083
<b>Use of charity fund</b>		
Researches, donations and other uses during the period	-	-
<b>Undistributed charity fund as at 30 September</b>	<b>182,193</b>	124,083