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

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2024

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

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 March 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 31 March 2024 and the related interim consolidated statement of income, interim consolidated statement of comprehensive income, interim consolidated statement of income and attribution related to quasi-equity, 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 three-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
25 April 2024

برايس وترهاوس كوبرز - فرع قطر
PRICEWATERHOUSECOOPERS - Qatar Branch
P. O. Box : 6689
Doha, State of Qatar

Masraf Al Rayan (Q.P.S.C.) QAR '000s

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2024

	Notes	*31 March 2024 (Reviewed)*	*31 December 2023 (Audited)*	*31 March 2023 (Reviewed)*
ASSETS				
Cash and balances with central banks		**5,772,543**	4,993,280	5,094,303
Due from banks		**3,536,008**	5,662,554	3,358,332
Financing assets	7	**106,996,974**	108,228,181	116,522,494
Investment securities	8	**36,640,203**	38,598,973	30,300,170
Investment in associates		**369,825**	348,556	318,718
Fixed assets		**973,396**	968,571	945,588
Intangible assets		**1,536,320**	1,564,774	1,650,137
Other assets		**3,550,988**	3,834,646	3,998,993
TOTAL ASSETS		**159,376,257**	164,199,535	162,188,735
LIABILITIES, QUASI-EQUITY AND EQUITY				
LIABILITIES				
Due to banks	9	**14,838,374**	32,204,024	26,656,155
Customer current accounts		**8,509,856**	7,924,383	8,878,077
Sukuk and debt financing	10	**5,202,103**	5,235,937	7,912,877
Other borrowings	11	**5,134,526**	4,585,513	4,938,911
Other liabilities		**4,598,270**	4,643,739	5,228,153
TOTAL LIABILITIES		**38,283,129**	54,593,596	53,614,173
QUASI-EQUITY				
Participatory investment accounts	12	**96,819,920**	84,799,440	84,810,489
EQUITY				
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)	**43,819**	41,439	23,900
Foreign currency translation reserve	13 (e)	**(125,868)**	(110,907)	(126,276)
Other reserves	13 (f)	**152,631**	152,632	140,512
Retained earnings		**1,355,474**	1,880,281	1,171,275
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK		**23,031,835**	23,569,224	22,552,120
Non-controlling interest	14	**241,373**	237,275	211,953
Instrument eligible as additional capital		**1,000,000**	1,000,000	1,000,000
TOTAL EQUITY		**24,273,208**	24,806,499	23,764,073
TOTAL LIABILITIES, QUASI-EQUITY AND EQUITY		**159,376,257**	164,199,535	162,188,735
Off-balance sheet assets under management		**4,857,719**	5,246,537	4,989,096
Contingent liabilities and commitments	15	**35,632,704**	36,857,263	44,029,295

These interim condensed consolidated financial statements were approved by the Board of Directors on 25 April 2024 and were signed on its behalf by:

....	....	....
Mohamed Bin Hamad Bin Qassim Al Thani Chairman	Hamad Bin Faisal Bin Thani Al Thani Vice 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

Masraf Al Rayan (Q.P.S.C.) QAR ’000s

INTERIM CONSOLIDATED INCOME STATEMENT

For the three-month period ended 31 March 2024

	Notes	For the three-month period ended 31 March 2024 (Reviewed)	2023 (Reviewed)
Income from financing activities		**1,837,453**	1,702,086
Income from investing activities		**530,655**	370,137
Finance expense		**(393,516)**	(514,190)
Income from financing and investing activities, net of finance expense		**1,974,592**	1,558,033
Fee and commission income		**103,416**	115,621
Fee and commission expense		**(33,917)**	(25,651)
Net fee and commission income		**69,499**	89,970
Foreign exchange gain (net)		**52,272**	49,932
Share of results of associates		**32,595**	12,503
Gain on sale of an associate		**-**	16,618
Other income		**19,020**	10,573
TOTAL INCOME, NET OF FINANCE EXPENSE		**2,147,978**	1,737,629
Staff costs		**(105,093)**	(93,906)
Depreciation and amortisation		**(42,394)**	(43,801)
Other expenses		**(83,092)**	(59,201)
OPERATING EXPENSES		**(230,579)**	(196,908)
Net impairment reversals on due from banks	3 (a)	**382**	2,746
Net impairment losses on financing assets		**(258,850)**	(328,248)
Net impairment reversals / (losses) on investments		**3,023**	(7,717)
Net impairment (losses) / reversals on other exposures subject to credit risk	3 (a)	**(6,097)**	61,634
PROFIT FOR THE PERIOD BEFORE NET PROFIT ATTRIBUTABLE TO QUASI-EQUITY		**1,655,857**	1,269,136
Less: Net profit attributable to quasi-equity		**(1,233,817)**	(864,732)
PROFIT BEFORE TAX FOR THE PERIOD		**422,040**	404,404
Tax expense		**(9,453)**	(10,948)
NET PROFIT FOR THE PERIOD		**412,587**	393,456
Net profit for the period attributable to:			
Equity holders of the Bank		**406,072**	384,954
Non-controlling interest		**6,515**	8,502
		412,587	393,456
BASIC AND DILUTED EARNINGS PER SHARE (QAR)	16	**0.044**	0.041

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

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Masraf Al Rayan (Q.P.S.C.) QAR ’000s

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three-month period ended 31 March 2024

	Notes	For the three-month period ended 31 March **2024** **(Reviewed)**	 2023 (Reviewed)
NET PROFIT FOR THE PERIOD		**412,587**	393,456
OTHER COMPREHENSIVE INCOME			
Items that may not be subsequently classified to consolidated income statement			
Fair value changes of equity-type investments carried at fair value through other comprehensive income		**295**	(4,665)
Items that may be subsequently classified to consolidated income statement			
Exchange difference arising on translation of foreign operations		**(17,378)**	27,621
Net change in the share of other comprehensive income of investment in associates:			
Net change in fair value		**787**	(5,110)
Net amount transferred to consolidated income statement		**-**	951
Fair value changes of debt-type investments carried at fair value through other comprehensive income		**521**	(497)
Share in the reserve attributable to quasi-equity		**(103)**	377
Total other comprehensive income for the period		**(15,878)**	18,677
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**396,709**	412,133
Attributable to:			
Equity holders of the Bank		**392,611**	398,334
Non-controlling interest		**4,098**	13,799
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**396,709**	412,133

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Masraf Al Rayan (Q.P.S.C.) QAR '000s

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

For the three-month period ended 31 March 2024

	Notes	*For the three-month period ended 31 March* **2024** **(Reviewed)**	*2023* *(Reviewed)*
Net profit for the period before net profit attributable to quasi-equity after tax		**1,646,404**	1,258,188
Less: Income not attributable to quasi-equity		**(430,005)**	(354,764)
Add: Expenses not attributable to quasi-equity		**8,750**	1
Net profit attributable to quasi-equity before Masraf's Mudaraba income		**1,225,149**	903,425
Less: Mudarib's share		**(1,163,552)**	(851,106)
Add: Support provided by Masraf		**1,172,220**	812,413
NET PROFIT ATTRIBUTABLE TO QUASI-EQUITY		**1,233,817**	864,732
OTHER COMPREHENSIVE INCOME			
Items that may be subsequently classified to consolidated income statement			
Share in the reserve attributable to quasi-equity		**103**	(377)
TOTAL OTHER COMPREHENSIVE INCOME		**103**	(377)
TOTAL PROFIT ATTRIBUTABLE TO QUASI-EQUITY		**1,233,920**	864,355

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Masraf Al Rayan (Q.P.S.C.) QAR ’000s

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-month period ended 31 March 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	**-**	**-**	**-**	**-**	**-**	**-**	**406,072**	**406,072**	**6,515**	**-**	**412,587**
Other comprehensive income	**-**	**-**	**-**	**1,501**	**(14,961)**	**(1)**	**-**	**(13,461)**	**(2,417)**	**-**	**(15,878)**
Total comprehensive income for the period	**-**	**-**	**-**	**1,501**	**(14,961)**	**(1)**	**406,072**	**392,611**	**4,098**	**-**	**396,709**
Transfer to retained earnings upon disposal of FVOCI equity instruments	**-**	**-**	**-**	**879**	**-**	**-**	**(879)**	**-**	**-**	**-**	**-**
Dividend declared and approved for 2023 Note 13 (g)	**-**	**-**	**-**	**-**	**-**	**-**	**(930,000)**	**(930,000)**	**-**	**-**	**(930,000)**
Balance at 31 March 2024 (Reviewed)	**9,300,000**	**9,644,166**	**2,661,613**	**43,819**	**(125,868)**	**152,631**	**1,355,474**	**23,031,835**	**241,373**	**1,000,000**	**24,273,208**

	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	-	-	-	-	-	-	384,954	384,954	8,502	-	393,456
Other comprehensive income	-	-	-	(8,944)	22,324	-	-	13,380	5,297	-	18,677
Total comprehensive income for the period	-	-	-	(8,944)	22,324	-	384,954	398,334	13,799	-	412,133
Dividend declared and approved for 2022 Note 13 (g)	-	-	-	-	-	-	(930,000)	(930,000)	-	-	(930,000)
Balance at 31 March 2023 (Reviewed)	9,300,000	9,644,166	2,398,543	23,900	(126,276)	140,512	1,171,275	22,552,120	211,953	1,000,000	23,764,073

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INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the three-month period ended 31 March 2024

	Notes	*For the three-month period ended 31 March*	
		2024 (Reviewed)	*2023 (Reviewed)*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax for the period		**422,040**	404,404
Adjustments for:			
Net impairment reversals on due from banks		**(382)**	(2,746)
Net impairment losses on financing assets		**258,850**	328,248
Net impairment (reversals) / losses on investments		**(3,023)**	7,717
Net impairment losses / (reversals) on other exposures subject to credit risk		**6,097**	(61,634)
Fair value gain on investment securities carried at fair value through income statement		**(68)**	-
Unrealized loss / (gain) on revaluation of Shari'a compliant risk management instruments		**9,497**	(48,464)
Depreciation and amortisation		**42,394**	43,801
Loss on disposal of fixed assets		**-**	26
Amortization of transaction costs and IFRS 3 adjustments on sukuk financing and other borrowings		**4,262**	(13,722)
Net loss on sale of investment securities		**1,554**	-
Dividend income		**(10,633)**	(7,422)
Share of results of associates		**(32,595)**	(12,503)
Gain on sale of an associate		**-**	(16,618)
Net amortisation of premium and discount on investment securities		**(62,021)**	20,860
Employees' end of service benefit provisions		**38,628**	1,790
Profit before changes in operating assets and liabilities		**674,600**	643,737
Change in reserve account with Qatar Central Bank		**(837,432)**	(35,886)
Change in due from banks		**161**	426,767
Change in financing assets		**941,350**	953,829
Change in other assets		**297,824**	(53,588)
Change in profit receivable from investments		**(10,855)**	31,704
Change in due to banks		**(17,365,650)**	(2,660,268)
Change in customer current accounts		**585,473**	141,250
Change in other liabilities		**13,760**	101,563
Change in profit payable on sukuk and debt financing and other borrowings		**(7,534)**	30,860
		(15,708,303)	(420,032)
Dividend received		**10,633**	7,422
Tax paid		**(4,972)**	(7,492)
Employees' end of service benefits paid		**(298)**	(497)
Net cash used in operating activities		**(15,702,940)**	(420,599)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of investment securities		**(5,577,790)**	(1,015,878)
Proceeds from sale / redemption of investment securities		**7,584,234**	2,181,270
Proceeds from sale of an associate		**-**	40,623
Acquisition of fixed assets		**(20,484)**	(33,012)
Dividend received from associates		**12,100**	11,500
Net cash generated from investing activities		**1,998,060**	1,184,503

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Masraf Al Rayan (Q.P.S.C.) QAR '000s

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the three-month period ended 31 March 2024

	Notes	*For the three-month period ended 31 March* ***2024 (Reviewed)***	*2023 (Reviewed)*
CASH FLOWS FROM FINANCING ACTIVITIES			
Change in participatory investment accounts		**12,020,377**	(3,744,013)
Proceeds from sukuk and debt financing and other borrowings, net of transaction cost		**546,074**	1,998,180
Repayments of sukuk and debt financing and other borrowings		**(25,840)**	(689,322)
Net repayment of Ijarah liabilities		**(2,683)**	(3,716)
Dividends paid		**(953,755)**	(845,104)
Profit paid on instrument eligible as additional capital		**(46,000)**	(46,000)
Net cash generated from / (used in) financing activities		**11,538,173**	(3,329,975)
Net decrease in cash and cash equivalents		**(2,166,707)**	(2,566,071)
Cash and cash equivalents at 1 January		**6,028,295**	6,229,775
Effects of exchange rate changes on cash and cash equivalents held		**(18,229)**	18,917
Cash and cash equivalents at 31 March	17	**3,843,359**	3,682,621

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Masraf Al Rayan (Q.P.S.C.) QAR '000s

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

For the three-month period ended 31 March 2024

		Movements during the period					
	1 January 2024	***Additions***	***Withdrawals***	***Revaluations / Gross income***	***Net dividends paid***	***Mudarib's share***	***31 March 2024***
31 March 2024 (Reviewed)							
Money market placements	**332,756**	**369,949**	**(268,469)**	**6,317**	**-**	**(922)**	**439,631**
Investments in sukuk, shares, mutual funds and other securities	**4,913,781**	**32,927**	**(465,571)**	**(56,966)**	**(6,083)**	**-**	**4,418,088**
	5,246,537	**402,876**	**(734,040)**	**(50,649)**	**(6,083)**	**(922)**	**4,857,719**

		Movements during the period					
	1 January 2023	*Additions*	*Withdrawals*	*Revaluations / Gross income*	*Net dividends paid*	*Mudarib's share*	*31 March 2023*
31 March 2023 (Reviewed)							
Money market placements	156,771	427,725	(342,161)	4,346	-	(1,708)	244,973
Investments in sukuk, shares, mutual funds and other securities	4,689,405	23,667	(32,982)	65,228	(1,195)	-	4,744,123
	4,846,176	451,392	(375,143)	69,574	(1,195)	(1,708)	4,989,096

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

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Masraf Al Rayan (Q.P.S.C.) QAR '000s

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 three-month period ended 31 March 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.).

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.

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 principal subsidiaries of the Group are as follows:

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

1 REPORTING ENTITY (continued)

[1] Al Rayan (UK) Limited owns 98.34% of its subsidiary, Al Rayan Bank PLC (formerly known as Islamic Bank of Britain PLC). Effectively, the Bank owns 73.76% of Al Rayan Bank PLC.
[2] 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.
[3] 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.
[4] 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.
[5] 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.
[6] In a meeting held on 26 October 2023, the Board of Directors of the Company decided to liquidate the Company. The liquidation is subject for approval by the QCB and the Ministry of Commerce and Industry as of the reporting date.

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 31 March 2024 were authorised for issuance in accordance with a resolution by the Board of Directors on 25 April 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”).

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.

2 BASIS OF PREPARATION (continued)

(a) Statement of compliance (continued)

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”.

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 three-month period ended 31 March 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.

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.

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.

2 BASIS OF PREPARATION (continued)

(d) New standards, amendments and interpretations (continued)

(i) New standards, amendments and interpretations effective from 1 January 2024 (continued)

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.

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).*

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".*

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.

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3 EXPECTED CREDIT LOSSES ("ECL")

(a) Expected credit loss / Allowance for impairment

	Stage 1	Stage 2	Stage 3	Total
Exposure (carrying value) subject to ECL as at 31 March 2024				
- Due from banks and balances with central banks	8,637,069	123,173	-	8,760,242
- Financing assets	71,501,537	33,528,879	6,541,552	111,571,968
- Debt type investments carried at amortised cost	35,511,976	510,094	53,142	36,075,212
- Other exposures subject to credit risk	12,510,240	5,187,763	36,157	17,734,160
	128,160,822	39,349,909	6,630,851	174,141,582
Opening balance of allowance for impairment as at 1 January 2024				
- 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
Foreign currency translation for the period				
- Due from banks and balances with central banks	-	-	-	-
- Financing assets	(49)	(5)	(318)	(372)
- Debt type investments carried at amortised cost	(1)	-	-	(1)
- Other exposures subject to credit risk	-	-	-	-
	(50)	(5)	(318)	(373)
Net transfer between stages				
- Due from banks and balances with central banks	-	-	-	-
- Financing assets	(676)	665	11	-
- Debt type investments carried at amortised cost	-	-	-	-
- Other exposures subject to credit risk	-	-	-	-
	(676)	665	11	-
Charges / (Reversals) for the period (net)				
- Due from banks and balances with central banks	(382)	-	-	(382)
- Financing assets	(5,910)	75,384	224,487	293,961
- Debt type investments carried at amortised cost	(79)	(2,944)	-	(3,023)
- Other exposures subject to credit risk	(473)	6,969	(399)	6,097
	(6,844)	79,409	224,088	296,653
Write-offs				
- Due from banks and balances with central banks	-	-	-	-
- Financing assets	-	-	(65)	(65)
- Debt type investments carried at amortised cost	-	-	-	-
- Other exposures subject to credit risk	-	-	-	-
	-	-	(65)	(65)
Closing balance of allowance for impairment as at 31 March 2024				
- Due from banks and balances with central banks	397	3	-	400
- Financing assets	40,743	666,004	3,868,247	4,574,994
- Debt type investments carried at amortised cost	5,714	17,504	53,142	76,360
- Other exposures subject to credit risk	6,369	31,406	35,975	73,750
	53,223	714,917	3,957,364	4,725,504

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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 31 March 2023				
- Due from banks and balances with central banks	7,799,733	173,046	-	7,972,779
- Financing assets	83,248,020	30,026,391	7,451,394	120,725,805
- Debt type investments carried at amortised cost	29,505,742	399,508	57,162	29,962,412
- Other exposures subject to credit risk	17,756,788	3,605,850	36,548	21,399,186
	138,310,283	34,204,795	7,545,104	180,060,182
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	887	20	95	1,002
- Debt type investments carried at amortised cost	1	-	-	1
- Other exposures subject to credit risk	-	-	-	-
	888	20	95	1,003
Net transfer between stages				
- Due from banks and balances with central banks	-	-	-	-
- Financing assets	(1,316)	(1,125)	2,441	-
- Debt type investments carried at amortised cost	-	-	-	-
- Other exposures subject to credit risk	(92)	92	-	-
	(1,408)	(1,033)	2,441	-
Charge for the period (net)				
- Due from banks and balances with central banks	(924)	(1,822)	-	(2,746)
- Financing assets	(18,976)	42,599	334,104	357,727
- Debt type investments carried at amortised cost	8,214	(497)	-	7,717
- Other exposures subject to credit risk	1,650	(15,923)	(47,361)	(61,634)
	(10,036)	24,357	286,743	301,064
Write-offs				
- Due from banks and balances with central banks	-	-	-	-
- Financing assets	-	-	(65)	(65)
- Debt type investments carried at amortised cost	-	-	-	-
- Other exposures subject to credit risk	-	-	-	-
	-	-	(65)	(65)
Closing balance of allowance for impairment as at 31 March 2023				
- Due from banks and balances with central banks	11,368	719	-	12,087
- Financing assets	44,752	433,540	3,725,019	4,203,311
- Debt type investments carried at amortised cost	38,240	21,828	57,162	117,230
- Other exposures subject to credit risk	27,065	17,373	32,023	76,461
	121,425	473,460	3,814,204	4,409,089

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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-	**6,765,937**	**55,143,260**	**31,058,515**	**2,579,182**
A+ to A-	**1,494,965**	**7,625,596**	**3,061,237**	**5,114,494**
BBB+ to BBB-	**311**	**14,384,145**	**327,060**	**3,569,449**
BB+ to B-	**375,857**	**14,825,199**	**1,463,048**	**5,826,148**
Unrated	**123,172**	**19,593,768**	**165,352**	**644,887**
Total as at 31 March 2024	**8,760,242**	**111,571,968**	**36,075,212**	**17,734,160**

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-	5,678,479	62,167,956	26,185,018	1,472,974
A+ to A-	1,571,172	8,231,805	1,697,976	4,813,832
BBB+ to BBB-	103,155	16,138,161	402,850	3,705,324
BB+ to B-	424,685	14,177,553	1,497,140	4,179,230
Unrated	195,288	20,010,330	179,428	7,227,826
Totals as at 31 March 2023	7,972,779	120,725,805	29,962,412	21,399,186

4 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 probability of default (“PDs”) to the individual grades;
- The Group’s criteria for assessing if there has been a significant increase in credit risk and therefore 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;

4 USE OF ESTIMATES AND JUDGMENTS (continued)

Key sources of estimation uncertainty (continued)

(i) *Impairment losses on financial assets (continued)*

- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, exposure at default (“EADs”) and loss given default (“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.

(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 (FVLCOD).

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, long-term growth rates and the discount rates, and is highly sensitive to the changes in these assumptions.

(iii) *Useful life of intangible assets*

The useful lives of intangible assets are assessed as 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 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 the 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).

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5 FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS

	Fair value through income statement	*Fair value through other comprehensive income*	*Amortised cost*	*Total carrying amount*	*Fair value*
31 March 2024 (Reviewed)					
Cash and balances with central banks	**-**	**-**	**5,772,543**	**5,772,543**	**5,772,543**
Due from banks	**-**	**-**	**3,536,008**	**3,536,008**	**3,536,008**
Financing assets	**-**	**-**	**106,996,974**	**106,996,974**	**106,996,974**
Investment securities:					
- Measured at fair value	**109,989**	**531,362**	**-**	**641,351**	**641,351**
- Measured at amortised cost	**-**	**-**	**35,998,852**	**35,998,852**	**35,648,030**
Financial assets held by a non-Shari’a-compliant subsidiary	**-**	**70,963**	**2,807,885**	**2,878,848**	**2,799,667**
Other assets	**-**	**-**	**5,144**	**5,144**	**5,144**
Shari’a-compliant risk management instruments	**459,084**	**-**	**-**	**459,084**	**459,084**
	569,073	**602,325**	**155,117,406**	**156,288,804**	**155,858,801**
Due to banks	**-**	**-**	**14,838,374**	**14,838,374**	**14,838,374**
Customer current accounts	**-**	**-**	**8,509,856**	**8,509,856**	**8,509,856**
Sukuk and debt financing	**-**	**-**	**5,202,103**	**5,202,103**	**5,052,043**
Other borrowings	**-**	**-**	**5,134,526**	**5,134,526**	**5,134,526**
Financial liabilities of a non-Shari’a-compliant subsidiary	**-**	**-**	**2,013,466**	**2,013,466**	**2,013,466**
Other liabilities	**-**	**-**	**1,064,303**	**1,064,303**	**1,064,303**
Participatory investment accounts	**-**	**-**	**96,819,920**	**96,819,920**	**96,819,920**
Shari’a-compliant risk management instruments	**136,517**	**-**	**-**	**136,517**	**136,517**
	136,517	**-**	**133,582,548**	**133,719,065**	**133,569,005**

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5 FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (continued)

31 December 2023 (Audited)	*Fair value through income statement*	*Fair value through other comprehensive income*	*Amortised cost*	*Total carrying amount*	*Fair value*
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
	442,905	603,153	159,879,058	160,925,116	160,602,584
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
	138,499	-	138,008,834	138,147,333	137,965,171

(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.

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5 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:

31 March 2024 (Reviewed)	***Level 1***	***Level 2***	***Level 3***	***Total***
Financial assets				
Shari’a-compliant risk management instruments	**-**	**459,084**	**-**	**459,084**
Investment securities	**515,404**	**125,947**	**-**	**641,351**
Assets held by a non-Shari’a-compliant subsidiary	**70,963**	**-**	**-**	**70,963**
	586,367	**585,031**	**-**	**1,171,398**
Financial liabilities				
Shari’a-compliant risk management instruments	**-**	**136,517**	**-**	**136,517**
	-	**136,517**	**-**	**136,517**

31 December 2023 (Audited)	*Level 1*	*Level 2*	*Level 3*	*Total*
Financial assets				
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
	483,762	562,296	-	1,046,058
Financial liabilities				
Shari’a-compliant risk management instruments	-	138,499	-	138,499
	-	138,499	-	138,499

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 35,648 million (31 December 2023: QAR 37,810 million), which is derived using Level 1 and 2 fair value hierarchies.

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

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 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.

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6 OPERATING SEGMENTS (continued)

Information about operating segments

31 March 2024 (Reviewed)	*Corporate Banking*	*Retail Banking*	*Treasury and Financial Institutions*	*Asset Management*	*International Operations*	*Unallocated*	*Total*
External revenue:							
Income from financing and investing activities, net of finance expense	**1,285,972**	**390,128**	**116,810**	**3,159**	**178,523**	**-**	**1,974,592**
Net fee and commission income	**40,955**	**15,937**	**1,982**	**10,519**	**106**	**-**	**69,499**
Foreign exchange gain / (loss) (net)	**-**	**-**	**52,507**	**-**	**(235)**	**-**	**52,272**
Share of results of associates	**-**	**-**	**-**	**-**	**-**	**32,595**	**32,595**
Other income	**-**	**-**	**-**	**-**	**208**	**18,812**	**19,020**
Total segment income, net of finance expense	**1,326,927**	**406,065**	**171,299**	**13,678**	**178,602**	**51,407**	**2,147,978**
Net profit attributable to quasi-equity	**(592,723)**	**(258,614)**	**(277,757)**	**-**	**(104,723)**	**-**	**(1,233,817)**
Net impairment losses on financing assets	**(169,398)**	**(88,253)**	**-**	**-**	**(1,199)**	**-**	**(258,850)**
Net impairment reversals on investments	**-**	**-**	**2,072**	**951**	**-**	**-**	**3,023**
Net impairment losses on due from banks and other exposures subject to credit risk	**(131)**	**(349)**	**(5,235)**	**-**	**-**	**-**	**(5,715)**
Operating expenses	**-**	**-**	**-**	**(4,508)**	**(39,087)**	**(186,984)**	**(230,579)**
Intersegment (cost) / income	**(287,827)**	**110,628**	**177,199**	**-**	**-**	**-**	**-**
Reportable segment profit / (loss) before tax	**276,848**	**169,477**	**67,578**	**10,121**	**33,593**	**(135,577)**	**422,040**
Reportable segment assets	**76,290,027**	**21,609,756**	**37,896,096**	**277,122**	**14,249,516**	**9,053,740**	**159,376,257**
Reportable segment liabilities	**5,086,188**	**2,617,475**	**24,892,088**	**15,169**	**3,262,835**	**2,409,374**	**38,283,129**
Reportable segment quasi-equity	**37,897,075**	**24,140,988**	**25,466,281**	**-**	**9,315,576**	**-**	**96,819,920**

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6 OPERATING SEGMENTS (continued)

Information about operating segments (continued)

31 March 2023 (Reviewed)	*Corporate Banking*	*Retail Banking*	*Treasury and Financial Institutions*	*Asset Management*	*International Operations*	*Unallocated*	*Total*
External revenue:							
Income from financing and investing activities, net of finance expense	1,182,707	385,898	(146,306)	2,409	133,325	-	1,558,033
Net fee and commission income	53,610	22,453	2,209	11,282	416	-	89,970
Foreign exchange gain / (loss) (net)	-	-	50,004	-	(72)	-	49,932
Share of results of associates	-	-	-	-	-	12,503	12,503
Gain on sale of an associate	-	-	-	-	-	16,618	16,618
Other income	-	-	-	-	-	10,573	10,573
Total segment income, net of finance expense	1,236,317	408,351	(94,093)	13,691	133,669	39,694	1,737,629
Net profit attributable to quasi-equity	(501,833)	(180,429)	(131,781)	-	(50,689)	-	(864,732)
Net impairment losses on financing assets	(227,932)	(99,811)	-	-	(505)	-	(328,248)
Net impairment losses on investments	-	-	(7,549)	(168)	-	-	(7,717)
Net impairment losses on due from banks and other exposures subject to credit risk	46,044	(3)	18,339	-	-	-	64,380
Operating expenses	-	-	-	(4,599)	(39,762)	(152,547)	(196,908)
Intersegment (cost) / income	(287,725)	28,064	259,661	-	-	-	-
Reportable segment profit / (loss) before tax	264,871	156,172	44,577	8,924	42,713	(112,853)	404,404
31 December 2023 (Audited)							
Reportable segment assets	70,765,845	28,055,436	46,999,063	369,045	14,508,853	3,501,293	164,199,535
Reportable segment liabilities	4,873,902	2,276,377	41,702,946	16,029	3,340,179	2,384,163	54,593,596
Reportable segment quasi-equity	50,157,448	22,751,630	2,505,306	-	9,385,056	-	84,799,440

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7 FINANCING ASSETS

	31 March 2024 (Reviewed)	*31 December 2023 (Audited)*	*31 March 2023 (Reviewed)*
(a) By type			
Receivables and balances from financing activities:			
Murabaha	**81,930,979**	81,428,131	81,488,727
Ijarah Muntahia Bittamleek	**33,333,613**	34,329,766	41,897,588
Istisna’a	**90,992**	79,163	149,300
Musharaka	**4,433,040**	4,569,759	4,773,277
Others	**395,223**	428,225	1,066,112
Accrued profit	**1,456,521**	1,402,216	1,165,008
Total financing assets	**121,640,368**	122,237,260	130,540,012
Deferred profit	**(10,068,400)**	(9,727,609)	(9,814,207)
Allowance for impairment - Performing (Stages 1 and 2)*	**(702,801)**	(633,553)	(467,848)
Allowance for impairment - Non-performing (Stage 3)*	**(3,408,091)**	(3,218,926)	(3,242,336)
Profit in suspense*	**(464,102)**	(428,991)	(493,127)
Net financing assets	**106,996,974**	108,228,181	116,522,494

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

The total non-performing financing assets net of deferred profit at 31 March 2024 amounted to QAR 6,542 million representing 5.86% 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; 31 March 2023: QAR 7,451 million representing 6.17% of the gross financing assets net of deferred profit).

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

	Allowance for impairment	***Profit in suspense***	***31 March 2024 (Reviewed)***
Balance as at 1 January	**3,852,479**	**428,991**	**4,281,470**
Charge for the period	**298,619**	**36,301**	**334,920**
Recoveries / reversals during the period	**(39,769)**	**(1,190)**	**(40,959)**
Write off during the period	**(65)**	**-**	**(65)**
Effect of foreign currency movement	**(372)**	**-**	**(372)**
Balance as at 31 March	**4,110,892**	**464,102**	**4,574,994**

	Allowance for impairment	*Profit in suspense*	*31 December 2023 (Audited)*
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
Balance at 31 December	3,852,479	428,991	4,281,470

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7 FINANCING ASSETS (continued)

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

	Allowance for impairment	*Profit in suspense*	*31 March 2023 (Reviewed)*
Balance as at 1 January	3,380,999	463,648	3,844,647
Charge for the period	433,544	33,761	467,305
Recoveries / reversals during the period	(105,296)	(4,282)	(109,578)
Write off during the period	(65)	-	(65)
Effect of foreign currency movement	1,002	-	1,002
Balance as at 31 March	3,710,184	493,127	4,203,311

8 INVESTMENT SECURITIES

	31 March 2024 (Reviewed)	*31 December 2023 (Audited)*	*31 March 2023 (Reviewed)*
Debt-type investments classified as fair value through income statement			
Fixed profit rate – Quoted	**109,283**	-	-
Accrued profit	**706**	-	-
	109,989	-	-
Debt-type investments classified as amortised cost			
Fixed profit rate - Quoted	**4,915,202**	5,067,149	4,098,926
Fixed profit rate - Unquoted	**53,142**	53,142	57,162
Floating profit rate - Quoted	**431,957**	413,754	77,461
Government of Qatar - Quoted	**2,224,688**	2,259,578	2,248,818
Government of Qatar - Unquoted	**28,074,338**	29,988,145	23,165,000
Accrued profit	**375,885**	364,307	315,045
Less: Allowance for impairment*	**(76,360)**	(79,384)	(117,230)
	35,998,852	38,066,691	29,845,182
Equity-type investments classified as fair value through other comprehensive income			
- Quoted	**402,448**	409,281	342,765
- Unquoted	**125,947**	119,391	109,565
Accrued profit	**2,967**	3,610	2,658
	531,362	532,282	454,988
	36,640,203	38,598,973	30,300,170

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

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8 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:

	31 March 2024 (Reviewed)	*31 December 2023 (Audited)*	*31 March 2023 (Reviewed)*
Positive fair value reserve:			
Balance at 1 January	**62,655**	45,140	45,140
Net change in fair value	**2,681**	17,515	854
Balance at 31 March / 31 December	**65,336**	62,655	45,994
Negative fair value reserve:			
Balance at 1 January	**(16,910)**	(12,230)	(12,230)
Net change in fair value	**(1,865)**	(5,197)	(6,016)
Transfer to retained earnings upon disposal	**879**	517	-
Balance at 31 March / 31 December	**(17,896)**	(16,910)	(18,246)
Total fair value reserve at 31 March / 31 December	**47,440**	45,745	27,748

9 DUE TO BANKS

	31 March 2024 (Reviewed)	*31 December 2023 (Audited)*	*31 March 2023 (Reviewed)*
Current and short-term investment accounts	**481,729**	507,236	831,498
Commodity murabaha payable	**515,652**	972,763	459,134
Wakala payable	**10,440,586**	27,968,657	23,055,293
Repurchase agreements	**3,309,350**	2,604,966	2,235,858
Profit payable to banks	**91,057**	150,402	74,372
	14,838,374	32,204,024	26,656,155

The market value of securities given as collateral against the repurchase agreements are QAR 3,569 million (31 December 2023: QAR 2,803 million; 31 March 2023: QAR 2,380 million).

10 SUKUK AND DEBT FINANCING

	31 March 2024 (Reviewed)	*31 December 2023 (Audited)*	*31 March 2023 (Reviewed)*
Face value of sukuk and debt financing	**5,171,724**	5,199,347	7,805,445
Less: Unamortised transaction costs	**(2,176)**	(2,650)	(5,399)
Add: Net IFRS 3 adjustments arising from business combination	-	-	34,169
Profit payable	**32,555**	39,240	78,662
	5,202,103	5,235,937	7,912,877

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10 SUKUK AND DEBT FINANCING (continued)

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

	31 March 2024 (Reviewed)	*31 December 2023 (Audited)*	*31 March 2023 (Reviewed)*
Balance at 1 January, as restated	**5,235,937**	7,682,176	7,682,176
Net issuances during the period / year	**-**	546,075	546,075
Repayments during the period / year	**(69,622)**	(3,202,902)	(370,690)
Amortisation of transaction costs	**474**	3,826	1,078
Amortisation of IFRS 3 adjustments arising from business combination	**-**	(50,547)	(16,378)
Effect of foreign currency movement	**(1,783)**	(2,761)	379
Finance expense for the period / year	**37,097**	260,070	70,237
Balance at 31 March / 31 December	**5,202,103**	5,235,937	7,912,877

11 OTHER BORROWINGS

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

	31 March 2024 (Reviewed)	*31 December 2023 (Audited)*	*31 March 2023 (Reviewed)*
Balance at 1 January	**4,585,513**	3,843,236	3,843,236
Net issuances during the period / year	**546,074**	1,442,820	1,452,104
Repayments during the period / year	**(48,938)**	(756,302)	(392,252)
Amortisation of transaction costs	**3,788**	6,821	1,578
Profit payable on borrowings	**48,089**	48,938	34,245
Balance at 31 March / 31 December	**5,134,526**	4,585,513	4,938,911

12 PARTICIPATORY INVESTMENT ACCOUNTS

	31 March 2024 (Reviewed)	*31 December 2023 (Audited)*	*31 March 2023 (Reviewed)*
Saving accounts	**7,139,925**	6,932,384	8,075,825
Term accounts	**84,236,710**	72,588,787	70,872,088
Short-term investment accounts	**4,915,907**	4,684,237	5,415,339
Profit payable to participatory investment accounts	**525,490**	592,247	446,228
Share in the fair value reserve	**1,888**	1,785	1,009
	96,819,920	84,799,440	84,810,489

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13 EQUITY

(a) Share capital

	31 March 2024 (Reviewed)	*31 December 2023 (Audited)*	*31 March 2023 (Reviewed)*
Authorised - Issued and fully paid			
9,300,000,000 shares at QAR 1 each	**9,300,000**	9,300,000	9,300,000

(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 31 March 2024, as legal reserve reached 100% of the paid up capital.

(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 31 March 2024 as Masraf will transfer the required amount by 31 December 2024.

(d) Fair value reserve

	31 March 2024 (Reviewed)	*31 December 2023 (Audited)*	*31 March 2023 (Reviewed)*
Balance at 1 January	**41,439**	32,844	32,844
Net unrealised gains / (losses)	**816**	12,318	(5,162)
Share of other comprehensive income of associates	**788**	(4,792)	(5,110)
Transfer to consolidated income statement	**-**	951	951
Transfer to retained earnings upon disposal of FVOCI equity investments	**879**	517	-
Share in the reserve attributable to quasi-equity	**(103)**	(399)	377
Net fair value movement	**2,380**	8,595	(8,944)
Balance at 31 March / 31 December (shareholders' share)	**43,819**	41,439	23,900

(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.

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13 EQUITY (continued)

(f) Other reserves

Other reserves consist of the following:

	31 March 2024 (Reviewed)	*31 December 2023 (Audited)*	*31 March 2023 (Reviewed)*
Share in profit from investment in associates, net of cash dividend	**152,395**	152,394	140,512
Share in the associate’s actuarial gain on employees’ defined benefit obligations	**236**	238	-
	152,631	152,632	140,512

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

	31 March 2024 (Reviewed)	*31 December 2023 (Audited)*	*31 March 2023 (Reviewed)*
Balance at 1 January	**152,632**	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	**(1)**	238	-
Relating to disposal of associates	-	(13,900)	-
Other movement	-	(13,574)	-
Balance at 31 March / 31 December	**152,631**	152,632	140,512

No transfer has been made for the period ended 31 March 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 Group’s non-controlling interest in Al Rayan (UK) Limited (25%) and Al Rayan Bank PLC (26.24%) (31 December 2023: Al Rayan (UK) Limited - 25% and Al Rayan Bank PLC – 26.24%).

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15 CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent liabilities

	31 March 2024 (Reviewed)	*31 December 2023 (Audited)*	*31 March 2023 (Reviewed)*
Unutilised credit facilities	**6,362,947**	5,782,548	7,927,094
Guarantees	**10,093,640**	10,293,322	12,595,360
Letters of credit	**1,269,376**	1,191,794	871,040
	17,725,963	17,267,664	21,393,494
Contingent liabilities of a non-Shari'a-compliant subsidiary[1]	**361,925**	412,088	471,207

[1] Contingent liabilities of a non-Shari'a-compliant subsidiary consist of the following:

	31 March 2024 (Reviewed)	*31 December 2023 (Audited)*	*31 March 2023 (Reviewed)*
Unutilised credit facilities	**178,944**	223,191	238,402
Guarantees	**173,779**	182,350	230,550
Letters of credit	**9,202**	6,547	2,255
	361,925	412,088	471,207

(b) Other undertakings and commitments

	31 March 2024 (Reviewed)	*31 December 2023 (Audited)*	*31 March 2023 (Reviewed)*
Profit rate swap	**5,963,558**	6,245,669	7,057,169
Unilateral promise to buy/sell currencies	**11,390,716**	12,738,032	14,878,120
Currency swap	**33,225**	68,413	68,413
	17,387,499	19,052,114	22,003,702

	31 March 2024 (Reviewed)	*31 December 2023 (Audited)*	*31 March 2023 (Reviewed)*
Capital and other commitments	**157,317**	125,397	160,892

	31 March 2024 (Reviewed)	*31 December 2023 (Audited)*	*31 March 2023 (Reviewed)*
Total contingent liabilities and commitments	**35,632,704**	36,857,263	44,029,295

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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.

	For the three-month period ended 31 March	
	2024 (Reviewed)	*2023 (Reviewed)*
Net profit for the period attributable to equity holders of the Bank	**406,072**	384,954
Weighted average number of shares outstanding during the period (thousand)	**9,300,000**	9,300,000
Basic earnings per share (QAR)	**0.044**	0.041

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.

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:

	31 March 2024 (Reviewed)	*31 March 2023 (Reviewed)*
Cash on hand and balances with QCB excluding cash reserve	**680,119**	776,023
Due from banks	**3,163,233**	2,906,547
Add: Allowance for impairment	**7**	51
	3,843,359	3,682,621

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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

	31 March 2024 (Reviewed)			31 December 2023 (Audited)			31 March 2023 (Reviewed)		
	Associate companies	**Board of Directors[1]**	**Major shareholders[2]**	Associate companies	Board of Directors[1]	Major shareholders[2]	Associate companies	Board of Directors[1]	Major shareholders[2]
Consolidated statement of financial position items:									
Financing assets	**-**	**11,969**	**3,670,410**	-	13,369	3,688,735	26	635,602	-
Customer current accounts	**82,799**	**61,773**	**-**	105,420	50,854	-	69,579	105,824	-
Participatory investment accounts	**51,705**	**212,478**	**17,406,278**	21,564	192,636	18,372,565	66,815	212,890	2,853,396
Other assets	**-**	**-**	**-**	-	-	-	1,000	-	-
Other liabilities	**-**	**-**	**98,248**	-	-	100,625	-	-	99,695
Contingent liabilities:									
Letters of credit	**-**	**247**	**-**	-	1,000	-	-	22	-
Guarantees	**125,767**	**115,827**	**-**	125,852	102,822	-	107,807	113,057	-

	For the three-month period ended 31 March					
	2024 (Reviewed)			2023 (Reviewed)		
	Associate companies	**Board of Directors[1]**	**Major shareholders[2]**	Associate companies	Board of Directors[1]	Major shareholders[2]
Consolidated income statement items:						
Income from financing activities	**-**	**240**	**34,246**	-	12,380	-
Net profit attributable to quasi-equity	**600**	**2,652**	**251,844**	496	1,994	44,876
Operating expenses	**270**	**-**	**-**	512	-	-

[1] Includes close family members
[2] Major shareholders owning directly or indirectly 5% or more of the Bank’s share capital
[3] 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.

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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:

	For the three-month period ended 31 March	
	2024 (Reviewed)	*2023 (Reviewed)*
Remuneration to Board of Directors including meeting allowances	**5,375**	3,875
Key management		
Short term employee benefits	**4,517**	4,428
Other long term benefits	**105**	81
	4,622	4,509

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.

	31 March 2024 (Reviewed)	*31 December 2023 (Audited)*	*31 March 2023 (Reviewed)*
Common Equity Tier 1 (CET 1) capital	**21,190,533**	21,263,127	20,691,644
Additional Tier 1 capital	**1,023,579**	1,000,000	1,000,000
Tier 2 capital	**988,786**	933,017	888,982
Total regulatory capital	**23,202,898**	23,196,144	22,580,626
Risk weighted assets			
Risk weighted assets for credit risk	**88,739,766**	98,441,078	101,572,487
Risk weighted assets for market risk	**2,949,645**	197,152	372,217
Risk weighted assets for operational risk	**6,619,416**	7,549,804	6,964,249
Total risk weighted assets	**98,308,827**	106,188,034	108,908,953

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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[1] buffer	Total capital including conservation buffer, DSIB[1] buffer and ICAAP Pillar II capital charge
31 March 2024						
Actual	**21.56%**	**21.56%**	**22.60%**	**23.60%**	**23.60%**	**23.60%**
Minimum QCB limit	**6.00%**	**8.50%**	**10.50%**	**12.50%**	**13.50%**	**15.89%**
31 December 2023						
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%
31 March 2023						
Actual	19.00%	19.00%	19.92%	20.73%	20.73%	20.73%
Minimum QCB limit	6.00%	8.50%	10.50%	12.50%	13.50%	15.38%

[1] *Domestic Systemically Important Bank*

20 DISCLOSURE OF SOURCES AND APPLICATION OF CHARITY FUND FOR THE PERIOD

	For the three-month period ended 31 March	
	2024 (Reviewed)	*2023 (Reviewed)*
Sources of charity fund		
Undistributed charity fund as at 1 January	**133,265**	46,745
Net earnings prohibited by Shari'a during the period	**22,626**	21,434
Total source of charity fund	**155,891**	68,179
Use of charity fund		
Researches, donations and other uses during the period	**-**	-
Undistributed charity fund as at 31 March	**155,891**	68,179