



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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

31 MARCH 2025

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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 2025 and the related interim consolidated statement of income, interim consolidated statement of other 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

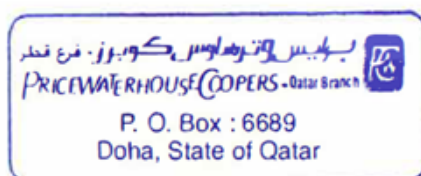
We conducted our review in accordance with International Standard on Review Engagements 2410, ‘Review of interim financial information performed by the independent auditor of the entity’. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial 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
22 April 2025



INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	31 March 2025 (Reviewed)	31 December 2024 (Audited)	31 March 2024 (Reviewed)
ASSETS				
Cash and balances with central banks		5,674,648	5,671,858	5,772,543
Due from banks		3,361,275	5,164,680	3,536,008
Financing assets	6	111,251,205	110,039,563	106,996,974
Investment securities	7	42,220,663	43,767,223	36,640,203
Investment in associates		351,031	348,274	369,825
Property and equipment		1,022,013	1,011,448	973,396
Intangible assets		1,422,503	1,450,958	1,536,320
Other assets		4,000,503	3,639,773	3,550,988
TOTAL ASSETS		169,303,841	171,093,777	159,376,257
LIABILITIES, QUASI-EQUITY AND EQUITY				
LIABILITIES				
Due to banks	8	18,919,242	23,756,860	14,838,374
Customer current accounts		8,434,160	7,030,727	8,509,856
Sukuk and debt financing	9	3,559,601	3,293,405	5,202,103
Other borrowings	10	5,122,674	6,378,259	5,134,526
Other liabilities		5,401,517	4,724,048	4,598,270
TOTAL LIABILITIES		41,437,194	45,183,299	38,283,129
QUASI-EQUITY				
Participatory investment accounts	11	103,017,390	100,579,622	96,819,920
EQUITY				
Share capital	12 (a)	9,300,000	9,300,000	9,300,000
Legal reserve	12 (b)	9,644,166	9,644,166	9,644,166
Risk reserve	12 (c)	2,700,401	2,700,401	2,661,613
Fair value reserve	12 (d)	44,926	51,278	43,819
Foreign currency translation reserve	12 (e)	(108,105)	(141,049)	(125,868)
Other reserves	12 (f)	135,955	135,929	152,631
Retained earnings		1,865,295	2,387,770	1,355,474
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK		23,582,638	24,078,495	23,031,835
Non-controlling interest	13	266,619	252,361	241,373
Instrument eligible as additional capital		1,000,000	1,000,000	1,000,000
TOTAL EQUITY		24,849,257	25,330,856	24,273,208
TOTAL LIABILITIES, QUASI-EQUITY AND EQUITY		169,303,841	171,093,777	159,376,257
Off-balance sheet assets under management		5,109,582	5,128,783	4,857,719
Contingent liabilities and commitments	14	28,407,318	30,806,784	35,632,704

These interim condensed consolidated financial statements were approved by the Board of Directors on 22 April 2025 and were signed on its behalf by:

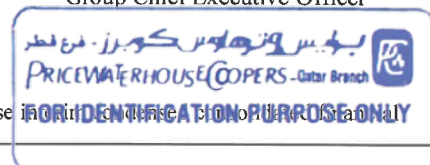
Mohamed Bin Hamad
Bin Qassim Al Thani
Chairman

Hamad Bin Faisal Bin
Thani Al Thani
Vice Chairman

P.P. 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 STATEMENT OF INCOME

For the three-month period ended 31 March 2025

		<i>For the three-month period ended 31 March</i>	
	<i>Notes</i>	2025 (Reviewed)	2024 (Reviewed)
Income from financing activities		1,573,049	1,837,453
Income from investing activities		537,975	530,655
Finance expense		(362,190)	(393,516)
Income from financing and investing activities, net of finance expense		1,748,834	1,974,592
Fee and commission income		132,363	103,416
Fee and commission expense		(32,229)	(33,917)
Net fee and commission income		100,134	69,499
Foreign exchange gain (net)		23,727	52,272
Share of results of associates		9,261	32,595
Other income		98,772	19,020
TOTAL INCOME, NET OF FINANCE EXPENSE		1,980,728	2,147,978
Staff costs		(110,942)	(105,093)
Depreciation and amortisation		(41,737)	(42,394)
Other expenses		(82,835)	(83,092)
OPERATING EXPENSES		(235,514)	(230,579)
Net impairment reversals on due from banks	3 (a)	4,849	382
Net impairment losses on financing assets		(210,916)	(258,850)
Net impairment reversals on investments		1,375	3,023
Net impairment losses on other exposures subject to credit risk	3 (a)	(6,311)	(6,097)
PROFIT FOR THE PERIOD BEFORE NET PROFIT ATTRIBUTABLE TO QUASI-EQUITY		1,534,211	1,655,857
Less: Net profit attributable to quasi-equity		(1,116,858)	(1,233,817)
PROFIT BEFORE TAX FOR THE PERIOD		417,353	422,040
Tax expense		(3,693)	(9,453)
NET PROFIT FOR THE PERIOD		413,660	412,587
Net profit for the period attributable to:			
Equity holders of the Bank		407,525	406,072
Non-controlling interest		6,135	6,515
		413,660	412,587
BASIC AND DILUTED EARNINGS PER SHARE (QAR)	15	0.044	0.044



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 OTHER COMPREHENSIVE INCOME

For the three-month period ended 31 March 2025

	<i>For the three-month period ended 31 March</i>	
	2025	2024
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
NET PROFIT FOR THE PERIOD	413,660	412,587
OTHER COMPREHENSIVE INCOME		
Item that may not be subsequently classified to consolidated statement of income		
Fair value changes of equity-type investments carried at fair value through other comprehensive income	(6,037)	295
Items that may be subsequently classified to consolidated statement of income		
Exchange difference arising on translation of foreign operations	41,067	(17,378)
Net change in the share of other comprehensive income of investment in associates:		
Net change in fair value	(735)	787
Fair value changes of debt-type investments carried at fair value through other comprehensive income	199	521
Share in the reserve attributable to quasi-equity	247	(103)
Total other comprehensive income / (loss) for the period	34,741	(15,878)
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD	448,401	396,709
Attributable to:		
Equity holders of the Bank	434,143	392,611
Non-controlling interest	14,258	4,098
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	448,401	396,709



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 period ended 31 March 2025

	<i>For the three-month period ended 31 March</i>	
	2025	2024
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
Net profit for the period before net profit attributable to quasi-equity after tax	1,530,518	1,646,404
Less: Income not attributable to quasi-equity	(600,804)	(669,970)
Add: Expenses not attributable to quasi-equity	214,695	248,715
Net profit attributable to quasi-equity before Masraf's Mudaraba income	1,144,409	1,225,149
Less: Mudarib's share	(1,086,969)	(1,163,552)
Add: Support provided by Masraf	1,059,418	1,172,220
NET PROFIT ATTRIBUTABLE TO QUASI-EQUITY	1,116,858	1,233,817
OTHER COMPREHENSIVE INCOME		
Items that may be subsequently classified to consolidated statement of income		
Share in the reserve attributable to quasi-equity	(247)	103
TOTAL OTHER COMPREHENSIVE (LOSS) / INCOME	(247)	103
TOTAL PROFIT ATTRIBUTABLE TO QUASI-EQUITY	1,116,611	1,233,920



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

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INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-month period ended 31 March 2025

	<i>Share capital</i>	<i>Legal reserve</i>	<i>Risk reserve</i>	<i>Fair value reserve</i>	<i>Foreign currency translation reserve</i>	<i>Other reserves</i>	<i>Retained earnings</i>	<i>Total equity attributable to equity holders of the Bank</i>	<i>Non-controlling interest</i>	<i>Instrument eligible as additional capital</i>	<i>Total equity</i>
Balance at 31 December 2024 (Audited)	9,300,000	9,644,166	2,700,401	51,278	(141,049)	135,929	2,387,770	24,078,495	252,361	1,000,000	25,330,856
Net profit for the period	-	-	-	-	-	-	407,525	407,525	6,135	-	413,660
Other comprehensive income	-	-	-	(6,352)	32,944	26	-	26,618	8,123	-	34,741
Total comprehensive income for the period	-	-	-	(6,352)	32,944	26	407,525	434,143	14,258	-	448,401
Dividend declared and approved for 2024 Note 12 (g)	-	-	-	-	-	-	(930,000)	(930,000)	-	-	(930,000)
Balance at 31 March 2025 (Reviewed)	9,300,000	9,644,166	2,700,401	44,926	(108,105)	135,955	1,865,295	23,582,638	266,619	1,000,000	24,849,257
	<i>Share capital</i>	<i>Legal reserve</i>	<i>Risk reserve</i>	<i>Fair value reserve</i>	<i>Foreign currency translation reserve</i>	<i>Other reserves</i>	<i>Retained earnings</i>	<i>Total equity attributable to equity holders of the Bank</i>	<i>Non-controlling interest</i>	<i>Instrument eligible as additional capital</i>	<i>Total equity</i>
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 12 (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



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

For the three-month period ended 31 March 2025

	For the three-month period ended 31 March	
Notes	2025 (Reviewed)	2024 (Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax for the period	417,353	422,040
Adjustments for:		
Net impairment reversals on due from banks	(4,849)	(382)
Net impairment losses on financing assets	210,916	258,850
Net impairment reversals on investments	(1,375)	(3,023)
Net impairment losses on other exposures subject to credit risk	6,291	6,097
Fair value loss / (gain) on investment securities carried at fair value through income statement	797	(68)
Unrealized gain / (loss) on revaluation of Shari'a compliant risk management instruments	(279,313)	9,497
Depreciation and amortisation	41,737	42,394
Amortization of transaction costs and IFRS 3 adjustments on sukuk financing and other borrowings	1,912	4,262
Net loss on sale of investment securities	-	1,554
Dividend income	(6,411)	(10,633)
Share of results of associates	(9,261)	(32,595)
Net amortisation of discount on investment securities	(29,714)	(62,021)
Employees' end of service benefit provisions	5,411	38,628
Profit before changes in operating assets and liabilities	353,494	674,600
Change in reserve account with Qatar Central Bank	86,680	(837,432)
Change in due from banks	(147,602)	161
Change in financing assets	(1,426,866)	941,350
Change in other assets	(331,825)	297,824
Change in profit receivable from investments	(57,540)	(10,855)
Change in due to banks	(4,837,618)	(17,365,650)
Change in customer current accounts	1,403,433	585,473
Change in other liabilities	903,231	13,760
Change in profit payable on sukuk and debt financing and other borrowings	22,080	(7,534)
	(4,032,533)	(15,708,303)
Dividend received	6,411	10,633
Tax paid	(4,761)	(4,972)
Employees' end of service benefits paid	(2,170)	(298)
Net cash used in operating activities	(4,033,053)	(15,702,940)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment securities	(1,653,793)	(5,577,790)
Proceeds from sale / redemption of investment securities	2,898,724	7,584,234
Proceeds from sale of an associate	-	-
Acquisition of property and equipment	(18,272)	(20,484)
Dividend received from associates	6,000	12,100
Net cash generated from investing activities	1,232,659	1,998,060

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

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INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the three-month period ended 31 March 2025

		For the three-month period ended 31 March	
	Notes	2025 (Reviewed)	2024 (Reviewed)
CASH FLOWS FROM FINANCING ACTIVITIES			
Change in participatory investment accounts		2,438,015	12,020,377
Proceeds from sukuk and debt financing and other borrowings, net of transaction cost		907,573	546,074
Repayments of sukuk and debt financing and other borrowings		(1,843,449)	(25,840)
Repayment of Ijarah liabilities		(1,785)	(2,683)
Dividends paid		(944,630)	(953,755)
Profit paid on instrument eligible as additional capital		(46,000)	(46,000)
Net cash generated from financing activities		509,724	11,538,173
Net decrease in cash and cash equivalents		(2,290,670)	(2,166,707)
Cash and cash equivalents at 1 January		5,781,493	6,028,295
Effects of exchange rate changes on cash and cash equivalents held		(3,346)	(18,229)
Cash and cash equivalents at 31 March	16	3,487,477	3,843,359



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 three-month period ended 31 March 2025

		<i>Movements during the period</i>					
	<i>1 January 2025</i>	<i>Additions</i>	<i>Withdrawals</i>	<i>Revaluations / Gross income</i>	<i>Net dividends paid</i>	<i>Mudarib's share</i>	<i>31 March 2025</i>
31 March 2025 (Reviewed)							
Money market placements	544,172	802,375	(613,116)	9,220	-	(1,016)	741,635
Investments in sukuk, shares, mutual funds and other securities	<u>4,584,611</u>	<u>133,754</u>	<u>(376,132)</u>	<u>27,483</u>	<u>(1,769)</u>	<u>-</u>	<u>4,367,947</u>
	<u><u>5,128,783</u></u>	<u><u>936,129</u></u>	<u><u>(989,248)</u></u>	<u><u>36,703</u></u>	<u><u>(1,769)</u></u>	<u><u>(1,016)</u></u>	<u><u>5,109,582</u></u>
		<i>Movements during the period</i>					
	<i>1 January 2024</i>	<i>Additions</i>	<i>Withdrawals</i>	<i>Revaluations / Gross income</i>	<i>Net dividends paid</i>	<i>Mudarib's share</i>	<i>31 March 2024</i>
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	<u>4,913,781</u>	<u>32,927</u>	<u>(465,571)</u>	<u>(56,966)</u>	<u>(6,083)</u>	<u>-</u>	<u>4,418,088</u>
	5,246,537	402,876	(734,040)	(50,649)	(6,083)	(922)	4,857,719



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

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

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 2025 comprise the Bank and its subsidiaries (together referred to as “the Group” and individually as “Group entities”). The Group is primarily involved in Islamic banking, financing and investing activities, and has 13 branches in Qatar. The Parent Company / Ultimate Controlling Party of the Group is 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.

During 2024, the Bank completed a comprehensive rebranding strategy aimed at enhancing brand recognition and aligning its identity with the evolving market and customer needs. This rebranding initiative included a new brand identity, “AlRayan Bank”, and an updated logo that embody the continuous evolution of the Bank and its renewed strategic focus as a contemporary Islamic bank.

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>31 March 2025</i>	<i>31 December 2024</i>
Al Rayan Investment L.L.C.	Qatar	USD 100,000,000	Investment banking	100.00%	100.00%
Al Rayan (UK) Ltd ¹	UK	GBP 100,000,000	Investment activities	-	-
Al Rayan Bank plc ¹	UK	GBP 121,218,700	Islamic banking	73.76%	73.76%
Al Rayan Partners L.L.C. ⁶	Qatar	QAR 10,000,000	Real estate consulting	100.00%	100.00%
Lusail Waterfront Investment Co.	Cayman Islands	USD 100	Investment activities	100.00%	100.00%
MAR Sukuk Limited ²	Cayman Islands	USD 250	Sukuk issuance	100.00%	100.00%
Al Khaliji France S.A. ^{3 & 5}	France	EUR 104,000,000	Banking	100.00%	100.00%
AKCB Finance Limited ^{3 & 7}	Cayman Islands	USD 1	Debt Issuance	100.00%	100.00%
AKCB Markets Limited ³	Cayman Islands	USD 1	Over-the-Counter Shari’a-compliant risk management instruments	100.00%	100.00%
Lusail Limited	Cayman Islands	USD 1	Financing and investing activities	100.00%	100.00%
MAR Finance L.L.C. ⁴	Qatar	QAR 1,000	Sukuk issuance	100.00%	100.00%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

1 REPORTING ENTITY (continued)

- ¹ During 2024, the Board of Directors of Al Rayan (UK) Ltd (the “Company”) decided to dissolve the Company. Prior to its dissolution, the Company owned 98.34% of its subsidiary, Al Rayan Bank plc. Effectively, the Bank owned 73.76% of Al Rayan Bank plc. Following the Company’s dissolution, its equity interest in Al Rayan Bank PLC was transferred directly to its ultimate shareholders. As a result, the Bank now holds a direct ownership stake of 73.76% in Al Rayan Bank plc.
- ² MAR Sukuk Limited was incorporated in the Cayman Islands as an exempt company with limited liability for the purpose of sukuk issuance and other activities, for the benefit of the Bank.
- 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 statement of income, 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 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.
- ⁷ AKCB Finance Limited will be deemed to be dissolved effective 10 July 2025, pursuant to the certificate of dissolution obtained by the Company.

The interim condensed consolidated financial statements of the Group for the period ended 31 March 2025 were authorised for issuance in accordance with a resolution by the Board of Directors on 22 April 2025.

(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’a governance and fiduciary responsibilities.

(b) Shari’a principles and rules

The Group follows the hierarchy of Shari’a principles and rules as defined in paragraph 165 of FAS 1 “General Presentation and Disclosures in the Financial Statements”.

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

The 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

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 2024. In addition, results for the three-month period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

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 2024.

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 2024.

(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 2025***FAS 42 – Presentation and disclosures in the Financial Statements of Takaful Institutions*

AAOIFI has issued FAS 42 in 2022. This standard supersedes the earlier FAS 12 – General Presentation and Disclosures in the Financial Statements of Islamic Insurance Companies”. The objective of this standard is to set out the overall requirements for the presentation of financial statements, the minimum requirement for the contents of and disclosures in the financial statements and recommended structure of financial statements that facilitates fair presentation in line with Shari’a principles and rules for Takaful institutions. This standard shall be effective for the financial periods beginning on or after 1 January 2025 with early adoption permitted if adopted alongside FAS 43 – Accounting for Takaful: Recognition and Measurement, provided that FAS 1 (Revised 2021) has already been adopted or is simultaneously adopted.

The adoption of this standard did not have significant impact on the Group's presentation and disclosures in consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

2 BASIS OF PREPARATION (continued)**(d) New standards, amendments and interpretations (continued)****(i) New standards, amendments and interpretations effective from 1 January 2025 (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*. The adoption of this standard did not have significant impact on the Group's recognition and measurement.

(ii) New standards, amendments and interpretations issued but not yet effective

The Group has not yet applied the following new and revised FASs that have been issued but are not yet effective. These standards are currently in process of being assessed by the management of the Group to consider any implication in the current or future reporting periods and on foreseeable future transactions.

FAS 45 – Quasi-Equity (Including Investment Accounts)

AAOIFI has issued FAS 45 in 2023. This standard prescribes the principles of financial reporting related to the participatory investment instruments (including investment accounts) in which an Islamic financial institution controls the underlying assets (mostly, as a working partner), on behalf of the stakeholders other than the owners' equity. Such instruments (including, in particular, the unrestricted investment accounts) normally qualify for on-balance-sheet accounting and are reported as quasi-equity. This standard also provides the overall criteria for on-balance-sheet accounting for participatory investment instruments and quasi-equity, as well as, pooling, recognition, derecognition, measurement, presentation and disclosure for quasi-equity. It further addresses financial reporting related to other quasi-equity instruments and certain specific issues. This standard shall be effective for the financial reporting periods beginning on or after 1 January 2026.

The Group shall address the requirements of *FAS 45 – Quasi-Equity (Including Investment Accounts)* on the effectivity date of the standard.

FAS 46 – Off-Balance-Sheet Assets Under Management

AAOIFI has issued FAS 46 in 2023. This standard prescribes the criteria for characterisation of off-balance-sheet assets under management, and the related principles of financial reporting in line with the "AAOIFI Conceptual Framework for Financial Reporting". The standard encompasses the aspects of recognition, derecognition, measurement, selection and adoption of accounting policies, related to off-balance-sheet assets under management, as well as certain specific aspects of financial reporting such as impairment and onerous commitments by the institution. The standard also includes the presentation and disclosure requirements, particularly aligning the same with the requirements of the revised *FAS 1 "General Presentation and Disclosures in the Financial Statements"* in respect of the statement of changes in off-balance-sheet assets under management. This standard, along with, *FAS 45 "Quasi-Equity (Including Investment Accounts)"*, supersedes the earlier FAS 27 "Investment Accounts". This standard shall be effective for the financial periods beginning on or after 1 January 2026 and shall be adopted at the same time of adoption of *FAS 45 – Quasi-Equity (Including Investment Accounts)*.

The Group shall address the requirements of *FAS 46 – Off-Balance-Sheet Assets Under Management* in the Group's "Statement of Changes in Off-balance Sheet Assets under Management" on the effectivity date of the standard.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

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 47 – Transfer of Assets Between Investment Pools*

AAOIFI has issued FAS 47 in 2023. This standard prescribes the financial reporting principles and disclosure requirements applicable to all transfers between investment pools related to (and where material, between significant categories of) owners' equity, quasi-equity and off-balance-sheet assets under management of an institution. It requires adoption and consistent application of accounting policies for such transfers in line with Shari'a principles and rules and describes general disclosure requirements in this respect. This standard shall be effective for the financial periods beginning or after 1 January 2026 and supersedes the earlier *FAS 21 – "Disclosure on Transfer of Assets"*.

FAS 48 – Promotional Gifts and Prizes

AAOIFI has issued FAS 48 on 9 December 2024. This standard prescribes the accounting and financial reporting requirements applicable to promotional gifts and prizes awarded by the Islamic financial institutions to their customers, including quasi-equity and other investment accountholders. This standard shall be effective for the financial periods beginning or after 1 January 2026.

FAS 49 – Financial Reporting for Institutions Operating in Hyperinflationary Economies

AAOIFI has issued FAS 49 on 19 December 2024. This standard outlines the principles governing financial reporting for the institutions applying AAOIFI FASs operating in hyperinflationary economies, duly considering the relevant Shari'a principles and rules and their unique business models. This standard shall be effective for the financial periods beginning or after 1 January 2026 with early adoption encouraged.

FAS 50 – Financial Reporting for Islamic Investment Institutions (Including Investment Funds)

AAOIFI has issued FAS 50 on 24 December 2024. This standard supersedes the earlier FAS 14 "Investment Funds." This standard sets out the principles of financial reporting for Islamic Investment Institutions ("IIIs") particularly prescribing overall requirements for the presentation, minimum contents and recommended structure of their financial statements in a manner that facilitates truthful and fair presentation in line with Shari'a principles and rules. This standard shall be effective on the annual financial statements of an III or after 1 January 2027.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

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 2025				
- Due from banks and balances with central banks	8,292,469	259,795	-	8,552,264
- Financing assets	87,647,448	22,256,371	6,232,222	116,136,041
- Debt type investments carried at amortised cost	40,955,869	434,018	53,142	41,443,029
- Other exposures subject to credit risk	10,852,554	4,663,040	25,250	15,540,844
	147,748,340	27,613,224	6,310,614	181,672,178
Opening balance of allowance for impairment as at 1 January 2025				
- Due from banks and balances with central banks	6,706	23	-	6,729
- Financing assets	54,375	803,896	3,895,279	4,753,550
- Debt type investments carried at amortised cost	4,675	12,948	53,142	70,765
- Other exposures subject to credit risk	3,518	39,973	24,575	68,066
	69,274	856,840	3,972,996	4,899,110
Foreign currency translation for the period				
- Due from banks and balances with central banks	-	-	-	-
- Financing assets	56	18	1,158	1,232
- Debt type investments carried at amortised cost	3	-	-	3
- Other exposures subject to credit risk	-	-	-	-
	59	18	1,158	1,235
Net transfer between stages				
- Due from banks and balances with central banks	-	-	-	-
- Financing assets	(2,680)	(91,319)	93,999	-
- Debt type investments carried at amortised cost	-	-	-	-
- Other exposures subject to credit risk	151	(151)	-	-
	(2,529)	(91,470)	93,999	-
Charges / (Reversals) for the period (net)				
- Due from banks and balances with central banks	(5,176)	327	-	(4,849)
- Financing assets	(544)	140,230	73,441	213,127
- Debt type investments carried at amortised cost	121	(1,496)	-	(1,375)
- Other exposures subject to credit risk	(458)	7,372	(603)	6,311
	(6,057)	146,433	72,838	213,214
Write-offs				
- Due from banks and balances with central banks	-	-	-	-
- Financing assets	-	-	(83,073)	(83,073)
- Debt type investments carried at amortised cost	-	-	-	-
- Other exposures subject to credit risk	-	-	(20)	(20)
	-	-	(83,093)	(83,093)
Closing balance of allowance for impairment as at 31 March 2025				
- Due from banks and balances with central banks	1,530	350	-	1,880
- Financing assets	51,207	852,825	3,980,804	4,884,836
- Debt type investments carried at amortised cost	4,799	11,452	53,142	69,393
- Other exposures subject to credit risk	3,211	47,194	23,952	74,357
	60,747	911,821	4,057,898	5,030,466

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

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 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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

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-	6,495,014	57,961,955	35,389,448	3,604,063
A+ to A-	1,042,264	6,996,361	3,978,032	3,408,567
BBB+ to BBB-	92,197	13,028,776	248,495	3,332,504
BB+ to B-	663,212	17,662,560	1,682,016	4,175,525
Unrated	259,577	20,486,389	145,038	1,020,185
Total as at 31 March 2025	8,552,264	116,136,041	41,443,029	15,540,844

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-	8,814,638	55,413,984	37,339,318	3,295,544
A+ to A-	615,245	8,561,493	3,589,891	4,185,820
BBB+ to BBB-	100,194	12,664,139	245,785	2,535,207
BB+ to B-	661,574	18,580,656	1,652,779	4,444,008
Unrated	259,032	19,572,841	169,686	1,311,339
Totals as at 31 December 2024	10,450,683	114,793,113	42,997,459	15,771,918

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
Totals as at 31 March 2024	8,760,242	111,571,968	36,075,212	17,734,160

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

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>
31 March 2025 (Reviewed)					
Cash and balances with central banks	-	-	5,674,648	5,674,648	5,674,648
Due from banks	-	-	3,361,275	3,361,275	3,361,275
Financing assets	-	-	111,251,205	111,251,205	111,251,205
Investment securities:					
- Measured at fair value	280,132	566,895	-	847,027	847,027
- Measured at amortised cost	-	-	41,373,636	41,373,636	41,507,047
Financial assets held by a non-Shari'a-compliant subsidiary	-	72,721	3,116,960	3,189,681	3,191,347
Other assets	-	-	5,393	5,393	5,393
Shari'a-compliant risk management instruments	399,726	-	-	399,726	399,726
	<u>679,858</u>	<u>639,616</u>	<u>164,783,117</u>	<u>166,102,591</u>	<u>166,237,668</u>
Due to banks	-	-	18,919,242	18,919,242	18,919,242
Customer current accounts	-	-	8,434,160	8,434,160	8,434,160
Sukuk and debt financing	-	-	3,559,601	3,559,601	3,530,117
Other borrowings	-	-	5,122,674	5,122,674	5,122,674
Financial liabilities of a non-Shari'a-compliant subsidiary	-	-	2,248,905	2,248,905	2,248,905
Other liabilities	-	-	971,730	971,730	971,730
Participatory investment accounts	-	-	103,017,390	103,017,390	103,017,390
Shari'a-compliant risk management instruments	184,837	-	-	184,837	184,837
	<u>184,837</u>	<u>-</u>	<u>142,273,702</u>	<u>142,458,539</u>	<u>142,429,055</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

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 2024 (Audited)					
Cash and balances with central banks	-	-	5,671,858	5,671,858	5,671,858
Due from banks	-	-	5,164,680	5,164,680	5,164,680
Financing assets	-	-	110,039,563	110,039,563	110,039,563
Investment securities:					
- Measured at fair value	285,143	555,386	-	840,529	840,529
- Measured at amortised cost	-	-	42,926,694	42,926,694	42,831,755
Financial assets held by a non-Shari'a-compliant subsidiary	-	72,714	2,940,698	3,013,412	2,900,011
Other assets	-	-	3,413	3,413	3,413
Shari'a-compliant risk management instruments	371,095	-	-	371,095	371,095
	<u>656,238</u>	<u>628,100</u>	<u>166,746,906</u>	<u>168,031,244</u>	<u>167,822,904</u>
Due to banks	-	-	23,756,860	23,756,860	23,756,860
Customer current accounts	-	-	7,030,727	7,030,727	7,030,727
Sukuk and debt financing	-	-	3,293,405	3,293,405	3,241,249
Other borrowings	-	-	6,378,259	6,378,259	6,378,259
Financial liabilities of a non-Shari'a-compliant subsidiary	-	-	2,112,567	2,112,567	2,112,567
Other liabilities	-	-	1,062,222	1,062,222	1,062,222
Participatory investment accounts	-	-	100,579,622	100,579,622	100,579,622
Shari'a-compliant risk management instruments	353,645	-	-	353,645	353,645
	<u>353,645</u>	<u>-</u>	<u>144,213,662</u>	<u>144,567,307</u>	<u>144,515,151</u>

(i) *Valuation of financial instruments*

The Group 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 three-month period ended 31 March 2025

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>
31 March 2025 (Reviewed)				
Financial assets				
Shari'a-compliant risk management instruments	-	399,726	-	399,726
Investment securities	654,567	192,460	-	847,027
Assets held by a non-Shari'a-compliant subsidiary	72,721	-	-	72,721
	<u>727,288</u>	<u>592,186</u>	<u>-</u>	<u>1,319,474</u>
Financial liabilities				
Shari'a-compliant risk management instruments	-	184,837	-	184,837
	<u>-</u>	<u>184,837</u>	<u>-</u>	<u>184,837</u>
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
31 December 2024 (Audited)				
Financial assets				
Shari'a-compliant risk management instruments	-	371,095	-	371,095
Investment securities	641,369	199,160	-	840,529
Assets held by a non-Shari'a-compliant subsidiary	72,714	-	-	72,714
	<u>714,083</u>	<u>570,255</u>	<u>-</u>	<u>1,284,338</u>
Financial liabilities				
Shari'a-compliant risk management instruments	-	353,645	-	353,645
	<u>-</u>	<u>353,645</u>	<u>-</u>	<u>353,645</u>

The fair values of financial assets and financial liabilities carried at amortized cost approximate the carrying value, hence, not included in the fair value hierarchy table, except for certain investment securities for which the fair value amounts to QAR 41,507 million (31 December 2024: QAR 42,832 million), which is derived using Level 1 and 2 fair value hierarchies.

During the reporting period ended 31 March 2025 and the year ended 31 December 2024, there were no transfers among Levels 1, 2 and 3 fair value measurements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

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 three-month period ended 31 March 2025

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

31 March 2025 (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	1,027,844	374,696	154,846	5,616	185,832	-	1,748,834
Net fee and commission income	46,071	24,089	19,718	10,186	70	-	100,134
Foreign exchange gain / (loss) (net)	-	-	23,762	2	(37)	-	23,727
Share of results of associates	-	-	-	-	-	9,261	9,261
Other income	7,450	85,346	-	-	203	5,773	98,772
Total segment income, net of finance expense	1,081,365	484,131	198,326	15,804	186,068	15,034	1,980,728
Net profit attributable to quasi-equity	(495,718)	(243,165)	(267,216)	-	(110,759)	-	(1,116,858)
Net impairment losses on financing assets	(119,588)	(86,854)	-	-	(4,474)	-	(210,916)
Net impairment reversals / (losses) on investments	-	-	1,779	(404)	-	-	1,375
Net impairment (losses) / (reversals) on due from banks and other exposures subject to credit risk	(5,768)	-	4,306	-	-	-	(1,462)
Operating expenses	(77,584)	(75,811)	(33,445)	(4,336)	(44,338)	-	(235,514)
Intersegment (cost) / income	(200,653)	66,545	134,108	-	-	-	-
Reportable segment profit / (loss) before tax	182,054	144,846	37,858	11,064	26,497	15,034	417,353
Reportable segment assets	75,940,588	25,104,833	42,606,802	364,933	16,302,721	8,983,964	169,303,841
Reportable segment liabilities	5,117,410	2,542,160	26,903,183	15,479	3,897,179	2,961,783	41,437,194
Reportable segment quasi-equity	44,533,588	25,026,778	23,046,795	-	10,410,229	-	103,017,390

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

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

31 March 2024 (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	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	(79,188)	(73,506)	(34,260)	(4,508)	(39,087)	(30)	(230,579)
Intersegment (cost) / income	(287,827)	110,628	177,199	-	-	-	-
Reportable segment profit / (loss) before tax	197,660	95,971	33,318	10,121	33,593	51,377	422,040
31 December 2024 (Audited)							
Reportable segment assets	74,867,335	25,551,364	45,960,612	343,724	15,519,856	8,850,886	171,093,777
Reportable segment liabilities	3,679,819	2,530,697	32,854,225	16,240	3,627,624	2,474,694	45,183,299
Reportable segment quasi-equity	41,246,036	25,541,958	23,519,219	-	10,272,409	-	100,579,622

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

6 FINANCING ASSETS

	<i>31 March 2025 (Reviewed)</i>	<i>31 December 2024 (Audited)</i>	<i>31 March 2024 (Reviewed)</i>
(a) By type			
Receivables and balances from financing activities:			
Murabaha	87,999,429	85,909,985	81,930,979
Ijarah Muntahia Bittamleek	29,732,234	31,378,647	33,333,613
Istisna'a	26,876	86,000	90,992
Musharaka	4,102,205	4,097,921	4,433,040
Others	284,146	300,585	395,223
Accrued profit	1,540,659	1,705,777	1,456,521
Total financing assets	123,685,549	123,478,915	121,640,368
Deferred profit	(7,549,508)	(8,685,802)	(10,068,400)
Allowance for impairment - Performing (Stages 1 and 2)*	(903,541)	(855,322)	(702,801)
Allowance for impairment - Non-performing (Stage 3)*	(3,588,870)	(3,508,014)	(3,408,091)
Profit in suspense*	(392,425)	(390,214)	(464,102)
Net financing assets	111,251,205	110,039,563	106,996,974

*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 2025 amounted to QAR 6,232 million representing 5.37% of the gross financing assets net of deferred profit (31 December 2024: QAR 6,253 million representing 5.45% of the gross financing assets net of deferred profit; 31 March 2024: QAR 6,542 million representing 5.86% 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>31 March 2025 (Reviewed)</i>
Balance as at 1 January	4,363,336	390,214	4,753,550
Charge for the period	264,513	14,650	279,163
Recoveries / reversals during the period	(53,597)	(12,439)	(66,036)
Write off during the period	(83,073)	-	(83,073)
Effect of foreign currency movement	1,232	-	1,232
Balance as at 31 March	4,492,411	392,425	4,884,836
	<i>Allowance for impairment</i>	<i>Profit in suspense</i>	<i>31 December 2024 (Audited)</i>
Balance as at 1 January	3,852,479	428,991	4,281,470
Charge for the year	1,292,495	121,951	1,414,446
Recoveries / reversals during the year	(249,106)	(8,302)	(257,408)
Write-off during the year	(530,687)	(152,426)	(683,113)
Effect of foreign currency movement	(1,845)	-	(1,845)
Balance at 31 December	4,363,336	390,214	4,753,550

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

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>31 March 2024 (Reviewed)</i>
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	<u>4,110,892</u>	<u>464,102</u>	<u>4,574,994</u>

7 INVESTMENT SECURITIES

	<i>31 March 2025 (Reviewed)</i>	<i>31 December 2024 (Audited)</i>	<i>31 March 2024 (Reviewed)</i>
<i>Debt-type investments classified as fair value through income statement</i>			
Fixed profit rate – Quoted	204,772	205,568	109,283
Fixed profit rate – Unquoted	73,000	73,000	-
Accrued profit	2,360	6,575	706
	<u>280,132</u>	<u>285,143</u>	<u>109,989</u>
<i>Debt-type investments classified as amortised cost</i>			
Fixed profit rate - Quoted	6,365,537	5,881,177	4,915,202
Fixed profit rate - Unquoted	78,142	78,142	53,142
Floating profit rate - Quoted	-	481,711	431,957
Government of Qatar - Quoted	2,241,550	2,223,395	2,224,688
Government of Qatar - Unquoted	32,304,495	33,941,426	28,074,338
Accrued profit	453,305	391,608	375,885
Less: Allowance for impairment*	(69,393)	(70,765)	(76,360)
	<u>41,373,636</u>	<u>42,926,694</u>	<u>35,998,852</u>
<i>Equity-type investments classified as fair value through other comprehensive income</i>			
- Quoted	443,121	427,075	402,448
- Unquoted	118,945	124,049	125,947
Accrued profit	4,829	4,262	2,967
	<u>566,895</u>	<u>555,386</u>	<u>531,362</u>
	<u>42,220,663</u>	<u>43,767,223</u>	<u>36,640,203</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

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>31 March 2025 (Reviewed)</i>	<i>31 December 2024 (Audited)</i>	<i>31 March 2024 (Reviewed)</i>
<i>Positive fair value reserve:</i>			
Balance at 1 January	67,415	62,655	62,655
Net change in fair value	(4,716)	4,760	2,681
Balance at 31 March / 31 December	62,699	67,415	65,336
<i>Negative fair value reserve:</i>			
Balance at 1 January	(14,089)	(16,910)	(16,910)
Net change in fair value	(1,122)	1,326	(1,865)
Transfer to retained earnings upon disposal	-	1,495	879
Balance at 31 March / 31 December	(15,211)	(14,089)	(17,896)
Total fair value reserve at 31 March / 31 December	47,488	53,326	47,440

8 DUE TO BANKS

	<i>31 March 2025 (Reviewed)</i>	<i>31 December 2024 (Audited)</i>	<i>31 March 2024 (Reviewed)</i>
Current and short-term investment accounts	300,287	402,869	481,729
Commodity murabaha payable	1,566,241	947,058	515,652
Wakala payable	12,406,936	17,259,834	10,440,586
Repurchase agreements	4,594,533	5,036,914	3,309,350
Profit payable to banks	51,245	110,185	91,057
	18,919,242	23,756,860	14,838,374

The market value of securities given as collateral against the repurchase agreements are QAR 4,950 million (31 December 2024: QAR 5,367 million; 31 March 2024: QAR 3,569 million).

9 SUKUK AND DEBT FINANCING

	<i>31 March 2025 (Reviewed)</i>	<i>31 December 2024 (Audited)</i>	<i>31 March 2024 (Reviewed)</i>
Face value of sukuk and debt financing	3,564,824	3,263,244	5,171,724
Unamortised transaction costs	(526)	(833)	(2,176)
Profit payable	36,089	30,994	32,555
Others	(40,786)	-	-
	3,559,601	3,293,405	5,202,103

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

9 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 2025 (Reviewed)	31 December 2024 (Audited)	31 March 2024 (Reviewed)
Balance at 1 January	3,293,405	5,235,937	5,235,937
Net issuances during the period	907,573	-	-
Repayments during the period / year	(612,823)	(2,081,793)	(69,622)
Amortisation of transaction costs	307	1,818	474
Effect of foreign currency movement	(36,719)	(2,641)	(1,783)
Finance expense for the period / year	48,644	140,084	37,097
Other movements	(40,786)	-	-
Balance at 31 March / 31 December	3,559,601	3,293,405	5,202,103

10 OTHER BORROWINGS

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

	31 March 2025 (Reviewed)	31 December 2024 (Audited)	31 March 2024 (Reviewed)
Balance at 1 January	6,378,259	4,585,513	4,585,513
Net issuances during the period / year	-	4,180,113	546,074
Repayments during the period / year	(1,331,863)	(2,695,990)	(72,911)
Amortisation of transaction costs	1,605	11,346	3,788
Finance expense for the period / year	74,673	297,277	72,062
Balance at 31 March / 31 December	5,122,674	6,378,259	5,134,526

11 PARTICIPATORY INVESTMENT ACCOUNTS

	31 March 2025 (Reviewed)	31 December 2024 (Audited)	31 March 2024 (Reviewed)
Saving accounts	8,345,360	7,662,489	7,139,925
Term accounts	90,317,548	87,897,068	84,236,710
Short-term investment accounts	3,691,999	4,252,571	4,915,907
Profit payable to participatory investment accounts	660,738	765,502	525,490
Share in the fair value reserve	1,745	1,992	1,888
	103,017,390	100,579,622	96,819,920

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

12 EQUITY**(a) Share capital**

	31 March 2025 (Reviewed)	31 December 2024 (Audited)	31 March 2024 (Reviewed)
<i>Authorised - Issued and fully paid</i> 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 2025, 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 2025 as Masraf will transfer the required amount by 31 December 2025.

(d) Fair value reserve

	31 March 2025 (Reviewed)	31 December 2024 (Audited)	31 March 2024 (Reviewed)
Balance at 1 January	51,278	41,439	41,439
Net unrealised (losses) / gains	(5,838)	6,086	816
Share of other comprehensive (loss) / income of associates	(761)	2,465	788
Transfer to consolidated statement of income	-	-	-
Transfer to retained earnings upon disposal of FVOCI equity investments	-	1,495	879
Share in the reserve attributable to quasi-equity	247	(207)	(103)
Net fair value movement	(6,352)	9,839	2,380
Balance at 31 March / 31 December (shareholders' share)	44,926	51,278	43,819

(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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

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

Other reserves consist of the following:

	<i>31 March 2025 (Reviewed)</i>	<i>31 December 2024 (Audited)</i>	<i>31 March 2024 (Reviewed)</i>
Share in profit from investment in associates, net of cash dividend	135,693	135,693	152,395
Share in the associate's actuarial gain on employees' defined benefit obligations	262	236	236
	135,955	135,929	152,631

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

	<i>31 March 2025 (Reviewed)</i>	<i>31 December 2024 (Audited)</i>	<i>31 March 2024 (Reviewed)</i>
Balance at 1 January	135,929	152,632	152,632
Share of results of associates	-	62,234	-
Dividends received from associates	-	(22,150)	-
Share in the associate's actuarial gain on employees' defined benefit obligations	26	(2)	(1)
Relating to disposal of associates	-	(27,215)	-
Other movement	-	(29,570)	-
Balance at 31 March / 31 December	135,955	135,929	152,631

No transfer has been made for the period ended 31 March 2025, as Masraf will transfer the share of results of associates to other reserves by 31 December 2025.

(g) Dividend

On 26 March 2025, the General Assembly approved a cash dividend of 10% of the paid up share capital (2024: 10%) amounting to QAR 930 million (2024: QAR 930 million).

13 NON-CONTROLLING INTEREST

This represents the non-controlling interest in Al Rayan Bank plc (26.24%) (31 December 2024: 26.24%).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

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

	<i>31 March 2025 (Reviewed)</i>	<i>31 December 2024 (Audited)</i>	<i>31 March 2024 (Reviewed)</i>
Unutilised credit facilities	5,747,662	5,544,378	6,362,947
Guarantees	8,731,536	9,115,955	10,093,640
Letters of credit	1,053,000	1,105,526	1,269,376
	<u>15,532,198</u>	<u>15,765,859</u>	<u>17,725,963</u>
Contingent liabilities of a non-Shari'a-compliant subsidiary ¹	<u>446,975</u>	<u>446,160</u>	<u>361,925</u>

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

	<i>31 March 2025 (Reviewed)</i>	<i>31 December 2024 (Audited)</i>	<i>31 March 2024 (Reviewed)</i>
Unutilised credit facilities	281,255	241,967	178,944
Guarantees	159,036	201,156	173,779
Letters of credit	6,684	3,037	9,202
	<u>446,975</u>	<u>446,160</u>	<u>361,925</u>

(b) Other undertakings and commitments

	<i>31 March 2025 (Reviewed)</i>	<i>31 December 2024 (Audited)</i>	<i>31 March 2024 (Reviewed)</i>
Profit rate swap	6,225,492	5,812,950	5,963,558
Unilateral promise to buy/sell currencies	6,158,984	8,694,565	11,390,716
Currency swaps	-	33,225	33,225
	<u>12,384,476</u>	<u>14,540,740</u>	<u>17,387,499</u>
	<i>31 March 2025 (Reviewed)</i>	<i>31 December 2024 (Audited)</i>	<i>31 March 2024 (Reviewed)</i>
Capital and other commitments	<u>43,669</u>	<u>54,025</u>	<u>157,317</u>
	<i>31 March 2025 (Reviewed)</i>	<i>31 December 2024 (Audited)</i>	<i>31 March 2024 (Reviewed)</i>
Total contingent liabilities and commitments	<u>28,407,318</u>	<u>30,806,784</u>	<u>35,632,704</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

15 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 three-month period ended 31 March</i>	
	2025 <i>(Reviewed)</i>	2024 <i>(Reviewed)</i>
Net profit for the period attributable to equity holders of the Bank	<u>407,525</u>	<u>406,072</u>
Weighted average number of shares outstanding during the period (thousand)	<u>9,300,000</u>	<u>9,300,000</u>
Basic earnings per share (QAR)	<u>0.044</u>	<u>0.044</u>

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.

16 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 2025 <i>(Reviewed)</i>	31 March 2024 <i>(Reviewed)</i>
Cash on hand and balances with QCB excluding cash reserve	535,472	680,119
Due from banks	2,557,103	3,163,233
Investment securities	394,900	-
Add: Allowance for impairment	<u>2</u>	<u>7</u>
	<u>3,487,477</u>	<u>3,843,359</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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17 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 2025 (Reviewed)			31 December 2024 (Audited)			31 March 2024 (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	-	52,502	4,013,741	-	51,490	3,978,157	-	11,969	3,670,410
Customer current accounts	115,803	73,557	9,707	106,581	47,257	-	82,799	61,773	-
Participatory investment accounts	74,423	247,181	18,353,016	68,367	247,444	18,685,851	51,705	212,478	17,406,278
Other liabilities	-	-	98,435	-	-	94,744	-	-	98,248
Contingent liabilities:									
Letters of credit	-	550	-	-	500	-	-	247	-
Guarantees	128,671	67,770	-	134,816	95,161	-	125,767	115,827	-

*For the three-month period ended
31 March*

	2025 (Reviewed)			2024 (Reviewed)		
	Associate companies	Board of Directors ¹	Major shareholders ²	Associate companies	Board of Directors ¹	Major shareholders ²
Consolidated statement of income items:						
Income from financing activities	-	732	40,678	-	240	34,246
Net profit attributable to quasi-equity	602	2,681	224,290	600	2,652	251,844
Operating expenses	758	-	-	270	-	-

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

17 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 three-month period ended 31 March</i>	
	2025 (Reviewed)	2024 (Reviewed)
Remuneration to Board of Directors including meeting allowances	6,375	5,375
<i>Key management</i>		
Short term employee benefits	6,711	4,517
Other long term benefits	283	105
	6,994	4,622

18 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 2025 (Reviewed)	31 December 2024 (Audited)	31 March 2024 (Reviewed)
Common Equity Tier 1 (CET 1) capital	22,296,750	21,827,526	21,190,533
Additional Tier 1 capital	1,032,145	1,030,586	1,023,579
Tier 2 capital	1,108,196	1,154,763	988,786
Total regulatory capital	24,437,091	24,012,875	23,202,898
Risk weighted assets			
Risk weighted assets for credit risk	85,987,036	90,917,596	88,739,766
Risk weighted assets for market risk	4,473,723	3,959,994	2,949,645
Risk weighted assets for operational risk	5,527,937	5,527,937	6,619,416
Total risk weighted assets	95,988,696	100,405,527	98,308,827

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

18 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 2025						
Actual	23.23%	23.23%	24.30%	25.46%	25.46%	25.46%
Minimum QCB limit	6.00%	8.50%	10.50%	12.50%	13.50%	15.73%
31 December 2024						
Actual	21.74%	21.74%	22.77%	23.92%	23.92%	23.92%
Minimum QCB limit	6.00%	8.50%	10.50%	12.50%	13.00%	15.73%
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%

¹ Domestic Systemically Important Bank**19 DISCLOSURE OF SOURCES AND APPLICATION OF CHARITY FUND FOR THE PERIOD**

	<i>For the three-month period ended 31 March</i>	
	2025 (Reviewed)	2024 (Reviewed)
Sources of charity fund		
Undistributed charity fund as at 1 January	162,472	133,265
Net earnings prohibited by Shari'a during the period	17,982	22,626
Total source of charity fund	180,454	155,891
Use of charity fund		
Researches, donations and other uses during the period	(600)	-
Undistributed charity fund as at 31 March	179,854	155,891

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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20 TAXATION

On 27 March 2025, the State of Qatar published amendments to the Income Tax Law No. (24) of 2018 in the Official Gazette. These amendments introduce an Income Inclusion Rule (IIR) and a Domestic Minimum Top-up Tax ("DMTT") applicable to multinational groups, in accordance with the Base Erosion and Profit Shifting ("BEPS") Pillar Two Anti-Global Erosion ("GloBE") framework. The GloBE rules will take effect for accounting periods beginning on 1 January 2025.

These rules incorporate various mechanisms designed to ensure that qualifying multinational enterprises maintain a minimum effective tax rate of 15%, calculated on the excess taxable profits in each jurisdiction where the group operates. Additional guidelines concerning deadlines and administrative processes are anticipated to be released in the Executive Regulations, which have not yet been published or become effective as of the date of the approval of the financial statements.

Based on the impact assessment performed by the Group, it may be able to meet certain reliefs and may not be required to pay additional taxes for the year under these tax rules. However, the Executive Regulations detailing the requirements and conditions for such relief have not been enacted yet as of the date of the approval of the consolidated financial statements. The anticipated reliefs include a transitional DMTT exclusion of early phase international activity, where Qatari DMTT liability would be reduced to nil for the first 5 years provided:

- the Multinational Enterprises ("MNE") Group is not located in more than 6 jurisdictions;
- the relevant entities are not subject to a qualified IIR of another jurisdiction; and
- the net book value of tangible assets across all jurisdictions other than the "reference jurisdiction" (being the jurisdiction with the highest value of tangible assets) does not exceed EUR 50 million.

In the event that these reliefs are not available in any circumstances, the tax liability under the GloBE rules for the period ended 31 March 2025 is expected to be QAR 29 million.