



بنك الريان
ALRAYAN BANK

ALRAYAN BANK (Q.P.S.C.)

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

31 MARCH 2026

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Report on review of the interim condensed consolidated financial statements to the board of directors of AlRayan Bank (Q.P.S.C.)

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of AlRayan Bank (Q.P.S.C.) (the “Parent”) and its subsidiaries (the “Group”) as at 31 March 2026 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 these interim condensed consolidated financial statements in accordance with Financial Accounting Standard (“FAS”) 41 “Interim financial reporting” issued by the Accounting and Auditing Organization 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

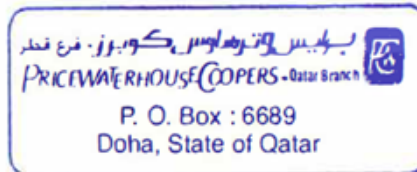
We conducted our review in accordance with International Standard on Review Engagements 2410, ‘Review of interim financial information performed by the independent auditor of the entity’. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial 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 2026



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License number 120155

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Notes	31 March 2026 (Reviewed)	31 December 2025 (Audited)	31 March 2025 (Reviewed)
ASSETS				
Cash and balances with central banks		5,271,980	5,878,930	5,674,648
Due from banks		3,558,635	4,816,232	3,361,275
Financing assets	6	111,991,940	118,188,326	111,251,205
Investment securities	7	47,657,087	45,919,939	42,220,663
Investment in associates		362,109	358,809	351,031
Property and equipment		1,054,406	1,059,368	1,022,013
Intangible assets		1,308,687	1,337,141	1,422,503
Other assets		3,758,807	3,699,302	4,000,503
TOTAL ASSETS		174,963,651	181,258,047	169,303,841
LIABILITIES, QUASI-EQUITY AND EQUITY				
LIABILITIES				
Due to banks	8	19,580,928	28,382,617	18,919,242
Customer current accounts		8,213,187	7,839,029	8,434,160
Sukuk financing	9	2,319,612	3,322,629	3,559,601
Other borrowings	10	7,685,994	7,766,032	5,122,674
Other liabilities		4,486,397	4,848,682	5,401,517
TOTAL LIABILITIES		42,286,118	52,158,989	41,437,194
QUASI-EQUITY				
Participatory investment accounts	11	107,570,566	103,299,319	103,017,390
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	2,700,401
Fair value reserve	12 (d)	31,988	42,399	44,926
Cash flow hedge reserve		13	(239)	-
Foreign currency translation reserve	12 (e)	(78,483)	(56,088)	(108,105)
Other reserves	12 (f)	141,137	141,104	135,955
Retained earnings		2,073,364	2,735,216	1,865,295
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK		23,812,586	24,506,959	23,582,638
Non-controlling interest	13	294,381	292,780	266,619
Instrument eligible as additional capital		1,000,000	1,000,000	1,000,000
TOTAL EQUITY		25,106,967	25,799,739	24,849,257
TOTAL LIABILITIES, QUASI-EQUITY AND EQUITY		174,963,651	181,258,047	169,303,841
Off-balance sheet assets under management		3,795,384	3,943,112	5,109,582
Contingent liabilities and commitments	14	31,743,825	28,405,343	28,407,318

These interim condensed consolidated financial statements were approved by the Board of Directors on 22 April 2026 and were signed on its behalf by:



Mohamed Bin Hamad Bin Qassim Al Thani
Chairman



Fahad Bin Abdulla Al Khalifa
Group Chief Executive Officer

Independent auditor's review report is set out on page i
The attached notes 1 to 21 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 2026

	Notes	For the three-month period ended 31 March	
		2026 (Reviewed)	2025 (Reviewed)
Income from financing activities		1,462,344	1,573,049
Income from investing activities		547,504	537,975
Finance expense		(359,557)	(362,190)
Income from financing and investing activities, net of finance expense		1,650,291	1,748,834
Fee and commission income		140,839	132,363
Fee and commission expense		(41,861)	(32,229)
Net fee and commission income		98,978	100,134
Foreign exchange gain (net)		50,909	23,727
Share of results of associates		10,902	9,261
Other income		30,027	98,772
TOTAL INCOME, NET OF FINANCE EXPENSE		1,841,107	1,980,728
Staff costs		(120,752)	(110,942)
Depreciation and amortisation		(44,444)	(41,737)
Other expenses		(73,787)	(82,835)
OPERATING EXPENSES		(238,983)	(235,514)
Net impairment (losses) / reversals on due from banks	3 (a)	(5,071)	4,849
Net impairment losses on financing assets		(147,246)	(210,916)
Net impairment (losses) / reversals on investment securities		(354)	1,375
Net impairment reversals / (losses) on other exposures subject to credit risk	3 (a)	14,212	(6,311)
PROFIT FOR THE PERIOD BEFORE NET PROFIT ATTRIBUTABLE TO QUASI-EQUITY		1,463,665	1,534,211
Less: Net profit attributable to quasi-equity		(1,042,350)	(1,116,858)
PROFIT BEFORE TAX FOR THE PERIOD		421,315	417,353
Income tax expense	20	(53,583)	(3,693)
NET PROFIT FOR THE PERIOD		367,732	413,660
Net profit for the period attributable to:			
Equity holders of the Bank		361,148	407,525
Non-controlling interest		6,584	6,135
		367,732	413,660
BASIC AND DILUTED EARNINGS PER SHARE (QAR)	15	0.039	0.044



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

The attached notes 1 to 21 form part of, and should be read in conjunction with these interim condensed consolidated financial statements

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three-month period ended 31 March 2026

	<i>For the three-month period ended 31 March</i>	
	2026	2025
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
NET PROFIT FOR THE PERIOD	<u>367,732</u>	<u>413,660</u>
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	(13,761)	(6,037)
Items that may be subsequently classified to consolidated statement of income		
Exchange difference arising on translation of foreign operations	(27,468)	41,067
Net change in the share of other comprehensive income of investment in associates:		
Net change in fair value	(10)	(735)
Net movement in cash flow hedges – effective portion of changes in fair value	342	-
Fair value changes of debt-type investments carried at fair value through other comprehensive income	2,986	199
Share in the reserve attributable to quasi-equity	407	247
Total other comprehensive (loss) / income for the period	<u>(37,504)</u>	<u>34,741</u>
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD	<u>330,228</u>	<u>448,401</u>
Attributable to:		
Equity holders of the Bank	328,627	434,143
Non-controlling interest	1,601	14,258
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>330,228</u>	<u>448,401</u>



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 2026

	<i>For the three-month period ended 31 March</i>	
	2026	2025
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
Net profit for the period before net profit attributable to quasi-equity after tax	1,410,082	1,530,518
Less: Income not attributable to quasi-equity	(573,761)	(600,804)
Add: Expenses not attributable to quasi-equity	215,399	214,695
Net profit attributable to quasi-equity before Bank's Mudaraba income	1,051,720	1,144,409
Less: Mudarib's share	(998,975)	(1,086,969)
Add: Support provided by Bank	989,605	1,059,418
NET PROFIT ATTRIBUTABLE TO QUASI-EQUITY	<u>1,042,350</u>	<u>1,116,858</u>
OTHER COMPREHENSIVE INCOME		
Items that may be subsequently classified to consolidated statement of income		
Share in the reserve attributable to quasi-equity	<u>(407)</u>	(247)
TOTAL OTHER COMPREHENSIVE LOSS	<u>(407)</u>	(247)
TOTAL PROFIT ATTRIBUTABLE TO QUASI-EQUITY	<u>1,041,943</u>	<u>1,116,611</u>



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 2026

	<i>Share capital</i>	<i>Legal reserve</i>	<i>Risk reserve</i>	<i>Fair value reserve</i>	<i>Cash flow hedge 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 as at 31 December 2025 (Audited)	9,300,000	9,644,166	2,700,401	42,399	(239)	(56,088)	141,104	2,735,216	24,506,959	292,780	1,000,000	25,799,739
Net profit for the period	-	-	-	-	-	-	-	361,148	361,148	6,584	-	367,732
Other comprehensive (loss) / income	-	-	-	(10,411)	252	(22,395)	33	-	(32,521)	(4,983)	-	(37,504)
Total comprehensive (loss) / income for the period	-	-	-	(10,411)	252	(22,395)	33	361,148	328,627	1,601	-	330,228
Dividend declared and approved for 2025 Note 12 (g)	-	-	-	-	-	-	-	(1,023,000)	(1,023,000)	-	-	(1,023,000)
Balance as at 31 March 2026 (Reviewed)	9,300,000	9,644,166	2,700,401	31,988	13	(78,483)	141,137	2,073,364	23,812,586	294,381	1,000,000	25,106,967
	<i>Share capital</i>	<i>Legal reserve</i>	<i>Risk reserve</i>	<i>Fair value reserve</i>	<i>Cash flow hedge 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 as 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 (loss) / income	-	-	-	(6,352)	-	32,944	26	-	26,618	8,123	-	34,741
Total comprehensive (loss) / 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 as 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

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

The attached notes 1 to 21 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 2026

	<i>For the three-month period ended 31 March</i>	
	<i>Note</i>	<i>2025 (Reviewed)</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax for the period	421,315	417,353
Adjustments for:		
Net impairment losses / (reversals) on due from banks	5,071	(4,849)
Net impairment losses on financing assets	147,246	210,916
Net impairment losses / (reversals) on investment securities	354	(1,375)
Net impairment (reversals) / losses on other exposures subject to credit risk	(14,212)	6,311
Fair value losses on investment securities carried at fair value through income statement	2,945	797
Unrealized losses / (gains) on revaluation of Shari'a compliant risk management instruments	144,830	(279,313)
Depreciation and amortisation	44,444	41,737
Amortization of transaction costs on sukuk financing and other borrowings	3,516	1,912
Dividend income	(5,951)	(6,411)
Share of results of associates	(10,902)	(9,261)
Net amortisation of premium / (discount) on investment securities	4,005	(29,714)
Employees' end of service benefit provisions	3,713	5,411
Profit before changes in operating assets and liabilities	746,374	353,514
Change in reserve account with Qatar Central Bank	1,053,326	86,680
Change in due from banks	(753)	(147,602)
Change in financing assets	6,081,013	(1,426,866)
Change in other assets	(132,008)	(331,845)
Change in profit receivable from investment securities	(120,567)	(57,540)
Change in due to banks	(8,801,347)	(4,837,618)
Change in customer current accounts	374,158	1,403,433
Change in other liabilities	(435,462)	903,231
Change in profit payable on sukuk financing and other borrowings	(214,435)	22,080
	(1,449,701)	(4,032,533)
Dividend received	5,951	6,411
Tax paid	(8,610)	(4,761)
Employees' end of service benefits paid	-	(2,170)
Net cash used in operating activities	(1,452,360)	(4,033,053)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment securities	(3,349,146)	(1,653,793)
Proceeds from sale / redemption of investment securities	1,612,392	2,898,724
Acquisition of property and equipment	(13,452)	(18,272)
Dividend received from associates	7,500	6,000
Net cash used in / (generated from) investing activities	(1,742,706)	1,232,659

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

The attached notes 1 to 21 form part of, and should be read in conjunction with these interim condensed consolidated financial statements

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the three-month period ended 31 March 2026

	Note	For the three-month period ended 31 March	
		2026 (Reviewed)	2025 (Reviewed)
CASH FLOWS FROM FINANCING ACTIVITIES			
Change in participatory investment accounts		4,271,654	2,438,015
Proceeds from sukuk financing and other borrowings, net of transaction cost		437,878	907,573
Repayments of sukuk financing and other borrowings		(1,297,585)	(1,843,449)
Repayment of Ijarah liabilities		(1,733)	(1,785)
Dividends paid		(1,029,095)	(944,630)
Profit paid on instrument eligible as additional capital		(46,000)	(46,000)
Net cash generated from financing activities		2,335,119	509,724
Net decrease in cash and cash equivalents		(859,947)	(2,290,670)
Cash and cash equivalents at 1 January		4,220,401	5,781,493
Effect of foreign currency movement		23,694	(3,346)
Cash and cash equivalents as at 31 March	16	3,384,148	3,487,477



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 2026

	<i>Balance as at 1 January 2026</i>	<i>Movements during the period</i>				<i>Mudarib's share</i>	<i>Balance as at 31 March 2026</i>
		<i>Additions</i>	<i>Withdrawals</i>	<i>Revaluations / Gross income</i>	<i>Net dividends paid</i>		
31 March 2026 (Reviewed)							
Money market placements	606,393	365,296	(628,764)	3,992	-	(643)	346,274
Investments in sukuk, shares, mutual funds and other securities	3,336,719	187,428	(33,909)	(40,042)	(1,086)	-	3,449,110
	3,943,112	552,724	(662,673)	(36,050)	(1,086)	(643)	3,795,384
	<i>Balance as at 1 January 2025</i>	<i>Movements during the period</i>				<i>Mudarib's share</i>	<i>Balance as at 31 March 2025</i>
		<i>Additions</i>	<i>Withdrawals</i>	<i>Revaluations / Gross income</i>	<i>Net dividends paid</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	4,584,611	133,754	(376,132)	27,483	(1,769)	-	4,367,947
	5,128,783	936,129	(989,248)	36,703	(1,769)	(1,016)	5,109,582



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

The attached notes 1 to 21 form part of, and should be read in conjunction with these interim condensed consolidated financial statements

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2026

1 REPORTING ENTITY

AlRayan Bank (Q.P.S.C.) (“the Bank”) is an entity domiciled in the State of Qatar and was incorporated on 4 January 2006 as a Qatari Public Shareholding Company under Qatar Commercial Companies’ Law No. 5 of 2002, as amended by Qatar Commercial Companies’ Law Number 11 of 2015 and Law Number 8 of 2021, under decision Number 11 of 2006 (the “Commercial Companies Law”). 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 2026 comprise the Bank and its subsidiaries (together referred to as “the Group” and individually as “Group entities”). The Group is primarily involved in Islamic banking, financing and investing activities, and has 13 branches in Qatar. The Parent Company / Ultimate Controlling Party of the Group is AlRayan Bank (Q.P.S.C.).

On 7 January 2021, the Bank and Al Khalij Commercial Bank (al khaliji) P.Q.S.C. (“Al Khaliji”) have entered into a merger agreement as approved by the Board of Directors of both banks, which was subsequently approved by the shareholders of both banks at their respective Extra-Ordinary General Assemblies held on 5 October 2021 and 6 October 2021. On 2 November 2021, Qatar Central Bank (“QCB”) approved the Bank’s merger by way of absorption pursuant to Article 278 of the Commercial Companies Law and Article 161(2) of Law Number 13 of 2012 issuing the Qatar Central Bank Law and Regulation of Financial Institutions (the “QCB Law”) and the merger agreement (the “Merger”). On 30 November 2021, the effective date of the merger, Al Khaliji was dissolved and the Bank which became the remaining legal entity, continued to conduct all operations in accordance with Shari’a principles and absorbed the assets and liabilities of Al Khaliji.

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 2026</i>	<i>31 December 2025</i>
Al Rayan Investment L.L.C.	Qatar	USD 100,000,000	Investment banking	100.00%	100.00%
Al Rayan Bank plc	UK	GBP 121,218,700	Islamic banking	73.76%	73.76%
Al Rayan Partners L.L.C. ¹	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	Conventional banking	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%

¹ In a meeting held on 26 October 2023, the Board of Directors of Al Rayan Partners L.L.C. decided to liquidate the entity. The liquidation which was approved by the QCB in 2024 is currently in progress as of the reporting date and is being carried out in accordance with the applicable legal and regulatory requirements in Qatar.

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2026

1 REPORTING ENTITY (continued)

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the interim condensed consolidated financial statements continue to be prepared on the going concern basis.

The interim condensed consolidated financial statements of the Group for the period ended 31 March 2026 were authorised for issuance in accordance with a resolution by the Board of Directors on 22 April 2026.

(a) Shari'a governance framework

The Group follows Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI") Governance Standards (GSs) in their entirety along with the regulators' requirements related to Shari'a governance / Shari'a governance framework. In line with the requirements of the same, the Group has a comprehensive governance mechanism comprising of Shari'a supervisory board and internal Shari'a audit. These functions perform their responsibilities in line with AAOIFI GSs as well as the regulators' requirements related to Shari'a governance.

The GSs also require the Board of Directors and those charged with governance to discharge their duties in line with Shari'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.

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 2025. In addition, results for the three-month period ended 31 March 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

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 2025, except as disclosed in Note 21.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2026

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

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 2025.

(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 2026**

The accounting policies and method of computation applied by the Group in the preparation of the interim condensed consolidated financial statements are the same as used in the preparation of the audited annual financial statements as at 31 December 2025, except for the adoption of accounting policies as a result of new transaction, and amendments to standards effective from 1 January 2026 as set out below:

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.

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)*.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2026

2 BASIS OF PREPARATION (continued)**(d) New standards, amendments and interpretations (continued)****(i) New standards, amendments and interpretations effective from 1 January 2026 (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.

The adoption of the above standards 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 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 beginning or after 1 January 2027.

FAS 51 – Participatory Ventures

AAOIFI has issued FAS 51 on 10 November 2025. This standard prescribes accounting and financial reporting principles for recognition, measurement, presentation and disclosures to apply in relation to participatory ventures (including most of the common structures / products based on Mudaraba and Musharaka). This standard shall be applied in respect of accounting and financial reporting by the investors, the working partners, as well as, the participatory ventures with regard to all such participatory ventures that fall within the scope of this standard, including those with fixed and variable equity / quasi-equity shares. This standard shall be effective for the financial periods beginning or after 1 January 2027.

FAS 52 – Deferred Delivery Sales: Salam and Istisna

AAOIFI has issued FAS 52 on 31 December 2025. This standard prescribes the accounting and financial reporting principles for recognition, measurement, presentation and disclosures related to deferred delivery sales transactions, applicable to the respective buyers and sellers. Such transactions include both, Salam- and Istisna-based deferred delivery sales transactions, but do not include Istisna-based development contracts which are subject of another standard being simultaneously issued. This standard shall be effective for the financial periods beginning or after 1 January 2027.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2026

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 2026				
- Due from banks and balances with central banks	7,869,520	381,844	-	8,251,364
- Financing assets	89,568,419	21,704,760	6,304,450	117,577,629
- Debt-type investments carried at amortised cost	46,419,494	294,114	53,142	46,766,750
- Other exposures subject to credit risk	12,086,760	3,705,757	29,536	15,822,053
	155,944,193	26,086,475	6,387,128	188,417,796
Opening balance of allowance for impairment as at 1 January 2026				
- Due from banks and balances with central banks	1,831	343	-	2,174
- Financing assets	52,102	1,099,151	4,288,372	5,439,625
- Debt-type investments carried at amortised cost	4,252	4,750	53,142	62,144
- Other exposures subject to credit risk	2,995	53,505	24,657	81,157
	61,180	1,157,749	4,366,171	5,585,100
Foreign currency translation for the period				
- Due from banks and balances with central banks	-	-	-	-
- Financing assets	(56)	(1)	(1,003)	(1,060)
- Debt-type investments carried at amortised cost	(2)	-	-	(2)
- Other exposures subject to credit risk	-	-	-	-
	(58)	(1)	(1,003)	(1,062)
Net transfer between stages				
- Due from banks and balances with central banks	-	-	-	-
- Financing assets	110	(165)	55	-
- Debt-type investments carried at amortised cost	-	-	-	-
- Other exposures subject to credit risk	-	-	-	-
	110	(165)	55	-
Charges / (Reversals) for the period (net)				
- Due from banks and balances with central banks	5,191	(120)	-	5,071
- Financing assets	22,075	22,149	103,007	147,231
- Debt-type investments carried at amortised cost	1,551	(1,197)	-	354
- Other exposures subject to credit risk	5,818	(20,030)	-	(14,212)
	34,635	802	103,007	138,444
Write-offs				
- Due from banks and balances with central banks	-	-	-	-
- Financing assets	-	-	(107)	(107)
- Debt-type investments carried at amortised cost	-	-	-	-
- Other exposures subject to credit risk	-	-	-	-
	-	-	(107)	(107)
Closing balance of allowance for impairment as at 31 March 2026				
- Due from banks and balances with central banks	7,022	223	-	7,245
- Financing assets	74,231	1,121,134	4,390,324	5,585,689
- Debt-type investments carried at amortised cost	5,801	3,553	53,142	62,496
- Other exposures subject to credit risk	8,813	33,475	24,657	66,945
	95,867	1,158,385	4,468,123	5,722,375

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2026

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 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 2026

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

The table below provides an analysis of counterparties by rating grades and credit quality, reflecting the Group’s credit risk profile as of 31 March 2026. This assessment is based on the alignment of internal credit ratings with external rating agency scales.

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-	6,274,681	53,320,278	41,130,306	4,524,126
A+ to A-	647,178	11,147,166	4,213,539	4,332,452
BBB+ to BBB-	2,180	11,762,409	533,444	2,748,798
BB+ to B-	1,018,929	17,621,424	836,318	2,739,840
Unrated	308,396	23,726,352	53,143	1,476,837
Total as at 31 March 2026	8,251,364	117,577,629	46,766,750	15,822,053

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-	6,710,677	59,842,770	39,367,581	3,284,898
A+ to A-	2,130,659	10,999,775	4,017,863	4,556,688
BBB+ to BBB-	84,750	11,688,360	536,375	2,339,385
BB+ to B-	940,172	18,199,003	940,204	3,003,947
Unrated	361,455	22,898,043	147,500	1,865,831
Totals as at 31 December 2025	10,227,713	123,627,951	45,009,523	15,050,749

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2026

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 2026 (Reviewed)					
Cash and balances with central banks	-	-	5,271,980	5,271,980	5,271,980
Due from banks	-	-	3,558,635	3,558,635	3,558,635
Financing assets	-	-	111,991,940	111,991,940	111,991,940
Investment securities:					
- Measured at fair value	302,612	1,239,700	-	1,542,312	1,542,312
- Measured at amortised cost	-	-	46,114,775	46,114,775	46,251,124
Financial assets held by a non-Shari'a-compliant subsidiary	-	-	3,066,385	3,066,385	3,068,563
Other assets	-	-	4,395	4,395	4,395
Shari'a-compliant risk management instruments	226,752	-	-	226,752	226,752
	<u>529,364</u>	<u>1,239,700</u>	<u>170,008,110</u>	<u>171,777,174</u>	<u>171,915,701</u>
Due to banks	-	-	19,580,928	19,580,928	19,580,928
Customer current accounts	-	-	8,213,187	8,213,187	8,213,187
Sukuk financing	-	-	2,319,612	2,319,612	2,321,371
Other borrowings	-	-	7,685,994	7,685,994	7,685,994
Financial liabilities of a non- Shari'a-compliant subsidiary	-	-	1,839,995	1,839,995	1,839,995
Other liabilities	-	-	1,133,993	1,133,993	1,133,993
Participatory investment accounts	-	-	107,570,566	107,570,566	107,570,566
Shari'a-compliant risk management instruments	145,793	-	-	145,793	145,793
	<u>145,793</u>	<u>-</u>	<u>148,344,275</u>	<u>148,490,068</u>	<u>148,491,827</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2026

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 2025 (Audited)					
Cash and balances with central banks	-	-	5,878,930	5,878,930	5,878,930
Due from banks	-	-	4,816,232	4,816,232	4,816,232
Financing assets	-	-	118,188,326	118,188,326	118,188,326
Investment securities:					
- Measured at fair value	309,532	842,589	-	1,152,121	1,152,121
- Measured at amortised cost	-	-	44,767,818	44,767,818	45,045,245
Financial assets held by a non-Shari'a-compliant subsidiary	-	-	2,930,586	2,930,586	2,943,454
Other assets	-	-	2,725	2,725	2,725
Shari'a-compliant risk management instruments	298,459	-	-	298,459	298,459
	<u>607,991</u>	<u>842,589</u>	<u>176,584,617</u>	<u>178,035,197</u>	<u>178,325,492</u>
Due to banks	-	-	28,382,617	28,382,617	28,382,617
Customer current accounts	-	-	7,839,029	7,839,029	7,839,029
Sukuk financing	-	-	3,322,629	3,322,629	3,109,095
Other borrowings	-	-	7,766,032	7,766,032	7,766,032
Financial liabilities of a non-Shari'a-compliant subsidiary	-	-	1,819,582	1,819,582	1,819,582
Other liabilities	-	-	1,486,583	1,486,583	1,486,583
Participatory investment accounts	-	-	103,299,319	103,299,319	103,299,319
Shari'a-compliant risk management instruments	83,700	-	-	83,700	83,700
	<u>83,700</u>	<u>-</u>	<u>153,915,791</u>	<u>153,999,491</u>	<u>153,785,957</u>

(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 2026

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 2026 (Reviewed)				
Financial assets				
Shari'a-compliant risk management instruments	-	226,752	-	226,752
Investment securities	1,355,792	186,520	-	1,542,312
	<u>1,355,792</u>	<u>413,272</u>	<u>-</u>	<u>1,769,064</u>
Financial liabilities				
Shari'a-compliant risk management instruments	-	145,793	-	145,793
	<u>-</u>	<u>145,793</u>	<u>-</u>	<u>145,793</u>
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
31 December 2025 (Audited)				
Financial assets				
Shari'a-compliant risk management instruments	-	298,459	-	298,459
Investment securities	962,861	189,260	-	1,152,121
	<u>962,861</u>	<u>487,719</u>	<u>-</u>	<u>1,450,580</u>
Financial liabilities				
Shari'a-compliant risk management instruments	-	83,700	-	83,700
	<u>-</u>	<u>83,700</u>	<u>-</u>	<u>83,700</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 46,251 million (31 December 2025: QAR 45,045 million), which is derived using Level 1 and 2 fair value hierarchies.

During the reporting period ended 31 March 2026 and the year ended 31 December 2025, 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 2026

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 Group Executive Management Committee reviews internal reports periodically. The following summary describes the operations in each of the Group's reportable segments.

- Corporate Banking provides an extensive range of Islamic funded and non-funded credit facilities, deposit services, investment advisory, currency exchange facilities, profit rate swaps, financing syndication and other services to Corporate, Commercial and Multinational Customers.
- Retail Banking provides investment accounts services, credit card and Islamic financing to retail and individual customers.
- Treasury and Financial Institutions undertake the Group's funding and centralised risk management activities through borrowings, sukuk 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 2026

5 OPERATING SEGMENTS (continued)

Information about operating segments

31 March 2026 (Reviewed)	<u>Corporate Banking</u>	<u>Retail Banking</u>	<u>Treasury and Financial Institutions</u>	<u>Asset Management</u>	<u>International Operations</u>	<u>Unallocated</u>	<u>Total</u>
<i>External revenue:</i>							
Income from financing and investing activities, net of finance expense	929,298	333,170	167,433	6,817	213,573	-	1,650,291
Net fee and commission income	29,609	50,104	9,956	9,437	(128)	-	98,978
Foreign exchange gain (net)	-	-	50,909	-	-	-	50,909
Share of results of associates	-	-	-	-	-	10,902	10,902
Other income	21,010	-	-	-	221	8,796	30,027
Total segment income, net of finance expense	979,917	383,274	228,298	16,254	213,666	19,698	1,841,107
Net profit attributable to quasi-equity	(435,638)	(204,332)	(272,582)	-	(129,798)	-	(1,042,350)
Net impairment (losses) / reversals on financing assets	(152,086)	7,531	-	-	(2,691)	-	(147,246)
Net impairment (losses) / reversals on investment securities	-	-	(370)	16	-	-	(354)
Net impairment (losses) / reversals on due from banks and other exposures subject to credit risk	(5,799)	(236)	15,176	-	-	-	9,141
Operating expenses	(84,848)	(79,424)	(26,240)	(3,631)	(44,840)	-	(238,983)
Intersegment (cost) / income	(195,791)	72,366	123,425	-	-	-	-
Reportable segment profit before tax	105,755	179,179	67,707	12,639	36,337	19,698	421,315
Reportable segment assets	73,655,498	25,404,348	47,831,088	462,341	19,213,089	8,397,287	174,963,651
Reportable segment liabilities	4,713,094	2,767,239	28,541,074	18,749	3,747,757	2,498,205	42,286,118
Reportable segment quasi-equity	47,718,661	25,449,524	21,383,022	-	13,019,359	-	107,570,566

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2026

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

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 investment securities	-	-	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	(83,424)	(77,710)	(25,706)	(4,336)	(44,338)	-	(235,514)
Intersegment (cost) / income	(200,653)	66,545	134,108	-	-	-	-
Reportable segment profit before tax	176,214	142,947	45,597	11,064	26,497	15,034	417,353
31 December 2025 (Audited)							
Reportable segment assets	80,800,430	25,263,660	47,409,717	457,023	18,229,877	9,097,340	181,258,047
Reportable segment liabilities	4,453,698	2,644,374	38,240,654	17,966	3,955,966	2,846,331	52,158,989
Reportable segment quasi-equity	40,350,940	25,228,469	25,711,395	-	12,008,515	-	103,299,319

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2026

6 FINANCING ASSETS

	<i>31 March 2026 (Reviewed)</i>	<i>31 December 2025 (Audited)</i>	<i>31 March 2025 (Reviewed)</i>
(a) By type			
Receivables and balances from financing activities:			
Murabaha	94,723,412	100,972,189	87,999,429
Ijarah Muntahia Bittamleek	28,442,858	28,623,062	29,732,234
Istisna'a	306,101	304,051	26,876
Musharaka	3,701,838	3,893,859	4,102,205
Others	288,472	270,495	284,146
Accrued profit	1,685,569	1,834,622	1,540,659
Total financing assets	129,148,250	135,898,278	123,685,549
Deferred profit	(11,570,621)	(12,270,327)	(7,549,508)
Allowance for impairment - Performing (Stages 1 and 2)*	(1,195,365)	(1,151,253)	(903,541)
Allowance for impairment - Non-performing (Stage 3)*	(3,965,397)	(3,863,430)	(3,588,870)
Profit in suspense*	(424,927)	(424,942)	(392,425)
Net financing assets	111,991,940	118,188,326	111,251,205

*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 2026 amounted to QAR 6,304 million representing 5.36% of the gross financing assets net of deferred profit (31 December 2025: QAR 6,320 million representing 5.11% of the gross financing assets net of deferred profit; 31 March 2025: QAR 6,232 million representing 5.37% 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 2026 (Reviewed)</i>
Balance as at 1 January	5,014,683	424,942	5,439,625
Charge for the period	201,783	12,741	214,524
Recoveries / reversals during the period	(54,537)	(12,756)	(67,293)
Write off during the period	(107)	-	(107)
Effect of foreign currency movement	(1,060)	-	(1,060)
Balance as at 31 March	5,160,762	424,927	5,585,689
	<i>Allowance for impairment</i>	<i>Profit in suspense</i>	<i>31 December 2025 (Audited)</i>
Balance as at 1 January	4,363,336	390,214	4,753,550
Charge for the year	1,149,592	59,029	1,208,621
Recoveries / reversals during the year	(331,713)	(17,735)	(349,448)
Write-off during the year	(169,460)	(6,566)	(176,026)
Effect of foreign currency movement	2,928	-	2,928
Balance as at 31 December	5,014,683	424,942	5,439,625

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2026

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 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	<u>4,492,411</u>	<u>392,425</u>	<u>4,884,836</u>

7 INVESTMENT SECURITIES

	<i>31 March 2026 (Reviewed)</i>	<i>31 December 2025 (Audited)</i>	<i>31 March 2025 (Reviewed)</i>
<i>Debt-type investments classified as fair value through income statement</i>			
Fixed profit rate – Quoted	226,794	229,738	204,772
Fixed profit rate – Unquoted	73,000	73,000	73,000
Accrued profit	2,818	6,794	2,360
	<u>302,612</u>	<u>309,532</u>	<u>280,132</u>
<i>Debt-type investments classified as amortised cost</i>			
Fixed profit rate - Quoted	6,802,043	6,758,280	6,365,537
Fixed profit rate - Unquoted	78,142	78,142	78,142
Government of Qatar - Quoted	9,128,284	4,681,158	2,241,550
Government of Qatar - Unquoted	29,622,886	32,889,713	32,304,495
Accrued profit	545,916	422,669	453,305
Less: Allowance for impairment*	(62,496)	(62,144)	(69,393)
	<u>46,114,775</u>	<u>44,767,818</u>	<u>41,373,636</u>
<i>Equity-type investments classified as fair value through other comprehensive income</i>			
- Quoted	530,954	542,719	443,121
- Unquoted	113,005	114,149	118,945
Accrued profit	6,262	6,160	4,829
	<u>650,221</u>	<u>663,028</u>	<u>566,895</u>
<i>Debt-type investments classified as fair value through other comprehensive income</i>			
Government of Qatar - Quoted	585,788	176,838	-
Accrued profit	3,691	2,723	-
	<u>589,479</u>	<u>179,561</u>	<u>-</u>
	<u>47,657,087</u>	<u>45,919,939</u>	<u>42,220,663</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 2026

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 2026 (Reviewed)</i>	<i>31 December 2025 (Audited)</i>	<i>31 March 2025 (Reviewed)</i>
<i>Positive fair value reserve:</i>			
Balance as at 1 January	63,169	67,415	67,415
Net change in fair value	<u>(2,598)</u>	<u>(4,246)</u>	<u>(4,716)</u>
Balance as at 31 March / 31 December	<u>60,571</u>	<u>63,169</u>	<u>62,699</u>
<i>Negative fair value reserve:</i>			
Balance as at 1 January	(19,604)	(14,089)	(14,089)
Net change in fair value	(8,177)	(5,515)	(1,122)
Transfer to retained earnings upon disposal	-	-	-
Balance as at 31 March / 31 December	<u>(27,781)</u>	<u>(19,604)</u>	<u>(15,211)</u>
Total fair value reserve as at 31 March / 31 December	<u>32,790</u>	<u>43,565</u>	<u>47,488</u>

8 DUE TO BANKS

	<i>31 March 2026 (Reviewed)</i>	<i>31 December 2025 (Audited)</i>	<i>31 March 2025 (Reviewed)</i>
Current and short-term investment accounts	192,980	461,656	300,287
Commodity murabaha payable	1,550,541	1,555,074	1,566,241
Wakala payable	8,253,075	10,129,345	12,406,936
Repurchase agreements	9,528,637	16,187,795	4,594,533
Profit payable to banks	<u>55,695</u>	<u>48,747</u>	<u>51,245</u>
	<u>19,580,928</u>	<u>28,382,617</u>	<u>18,919,242</u>

The market value of securities given as collateral against the repurchase agreements are QAR 9,817 million (31 December 2025: QAR 16,189 million; 31 March 2025: QAR 4,950 million).

9 SUKUK FINANCING

	<i>31 March 2026 (Reviewed)</i>	<i>31 December 2025 (Audited)</i>	<i>31 March 2025 (Reviewed)</i>
Face value of sukuk financing	2,301,342	3,070,564	3,564,824
Unamortised transaction costs	(5,368)	(5,687)	(526)
Profit payable	34,703	262,768	36,089
Others	<u>(11,065)</u>	<u>(5,016)</u>	<u>(40,786)</u>
	<u>2,319,612</u>	<u>3,322,629</u>	<u>3,559,601</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2026

9 SUKUK FINANCING (continued)

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

	<i>31 March 2026 (Reviewed)</i>	<i>31 December 2025 (Audited)</i>	<i>31 March 2025 (Reviewed)</i>
Balance as at 1 January	3,322,629	3,293,405	3,293,405
Net issuances during the period / year	-	3,203,071	907,573
Repayments during the period / year	(1,056,929)	(3,381,528)	(612,823)
Amortisation of transaction costs	427	1,930	307
Effect of foreign currency movement	(17,820)	(139,289)	(36,719)
Finance expense for the period / year	77,354	350,056	48,644
Other movements	(6,049)	(5,016)	(40,786)
Balance as at 31 March / 31 December	<u>2,319,612</u>	<u>3,322,629</u>	<u>3,559,601</u>

10 OTHER BORROWINGS

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

	<i>31 March 2026 (Reviewed)</i>	<i>31 December 2025 (Audited)</i>	<i>31 March 2025 (Reviewed)</i>
Balance as at 1 January	7,766,032	6,378,259	6,378,259
Net issuances during the period / year	437,877	4,159,771	-
Repayments during the period / year	(615,344)	(3,486,564)	(1,331,863)
Amortisation of transaction costs	3,089	9,010	1,605
Finance expense for the period / year	82,899	335,402	74,673
Effect of foreign currency movement	(591)	(1,590)	-
Reclassification from due to banks	-	369,596	-
Other movements	12,032	2,148	-
Balance as at 31 March / 31 December	<u>7,685,994</u>	<u>7,766,032</u>	<u>5,122,674</u>

11 PARTICIPATORY INVESTMENT ACCOUNTS

	<i>31 March 2026 (Reviewed)</i>	<i>31 December 2025 (Audited)</i>	<i>31 March 2025 (Reviewed)</i>
Saving accounts	9,408,331	8,669,388	8,345,360
Term accounts	92,282,637	91,312,939	90,317,548
Short-term investment accounts	5,099,081	2,498,947	3,691,999
Profit payable to participatory investment accounts	779,267	816,388	660,738
Share in the fair value reserve	1,250	1,657	1,745
	<u>107,570,566</u>	<u>103,299,319</u>	<u>103,017,390</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2026

12 EQUITY**(a) Share capital**

	<i>31 March 2026 (Reviewed)</i>	<i>31 December 2025 (Audited)</i>	<i>31 March 2025 (Reviewed)</i>
<i>Authorised - Issued and fully paid</i> 9,300,000,000 shares at QAR 1 each	<u>9,300,000</u>	<u>9,300,000</u>	<u>9,300,000</u>

(b) Legal reserve

According to QCB Law No. 13 of 2012, 10% of the profit for the year is required to be transferred to the legal reserve until the reserve equals 100% of paid up capital. No transfer has been made for the period ended 31 March 2026, 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 2026 as the Bank will transfer the required amount by 31 December 2026.

(d) Fair value reserve

	<i>31 March 2026 (Reviewed)</i>	<i>31 December 2025 (Audited)</i>	<i>31 March 2025 (Reviewed)</i>
Balance as at 1 January	42,399	51,278	51,278
Net unrealised losses	(10,775)	(9,761)	(5,838)
Share of other comprehensive (loss) / income of associates	(43)	547	(761)
Share in the reserve attributable to quasi-equity	407	335	247
Net fair value movement	(10,411)	(8,879)	(6,352)
Balance as at 31 March / 31 December (shareholders' share)	<u>31,988</u>	<u>42,399</u>	<u>44,926</u>

(e) Foreign currency translation reserve

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2026

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

Other reserves consist of the following:

	<i>31 March 2026 (Reviewed)</i>	<i>31 December 2025 (Audited)</i>	<i>31 March 2025 (Reviewed)</i>
Share in profit from investment in associates, net of cash dividend	140,842	140,842	135,693
Share in the associate's actuarial gain on employees' defined benefit obligations	295	262	262
	<u>141,137</u>	<u>141,104</u>	<u>135,955</u>

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

	<i>31 March 2026 (Reviewed)</i>	<i>31 December 2025 (Audited)</i>	<i>31 March 2025 (Reviewed)</i>
Balance as at 1 January	141,104	135,929	135,929
Share of results of associates	-	35,786	-
Dividends received from associates	-	(26,100)	-
Share in the associate's actuarial gain on employees' defined benefit obligations	33	26	26
Other movement	-	(4,537)	-
Balance as at 31 March / 31 December	<u>141,137</u>	<u>141,104</u>	<u>135,955</u>

No transfer has been made for the period ended 31 March 2026, as the Bank will transfer the share of results of associates to other reserves by 31 December 2026.

(g) Dividend

On 15 March 2026, the General Assembly approved a cash dividend of 11% of the paid up share capital (2025: 10%) amounting to QAR 1,023 million (2025: QAR 930 million).

13 NON-CONTROLLING INTEREST

This represents the non-controlling interest in Al Rayan Bank plc (26.24%) (31 December 2025: 26.24%).

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

	<i>31 March 2026 (Reviewed)</i>	<i>31 December 2025 (Audited)</i>	<i>31 March 2025 (Reviewed)</i>
Unutilised credit facilities	4,184,590	3,465,169	5,747,662
Guarantees	10,604,478	10,394,911	8,731,536
Letters of credit	1,025,203	1,184,732	1,053,000
	<u>15,814,271</u>	<u>15,044,812</u>	<u>15,532,198</u>
Contingent liabilities of a non-Shari'a-compliant subsidiary ¹	<u>457,129</u>	<u>442,970</u>	<u>446,975</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2026

14 CONTINGENT LIABILITIES AND COMMITMENTS (continued)¹ Contingent liabilities of a non-Shari'a-compliant subsidiary consist of the following:

	<i>31 March 2026 (Reviewed)</i>	<i>31 December 2025 (Audited)</i>	<i>31 March 2025 (Reviewed)</i>
Unutilised credit facilities	293,377	274,024	281,255
Guarantees	160,559	163,627	159,036
Letters of credit	3,193	5,319	6,684
	<u>457,129</u>	<u>442,970</u>	<u>446,975</u>

(b) Other undertakings and commitments

	<i>31 March 2026 (Reviewed)</i>	<i>31 December 2025 (Audited)</i>	<i>31 March 2025 (Reviewed)</i>
Profit rate swap	5,792,802	6,158,665	6,225,492
Unilateral promise to buy/sell currencies	8,662,110	6,187,927	6,158,984
Currency swaps	980,978	540,670	-
	<u>15,435,890</u>	<u>12,887,262</u>	<u>12,384,476</u>

	<i>31 March 2026 (Reviewed)</i>	<i>31 December 2025 (Audited)</i>	<i>31 March 2025 (Reviewed)</i>
Capital and other commitments	<u>36,535</u>	<u>30,299</u>	<u>43,669</u>

	<i>31 March 2026 (Reviewed)</i>	<i>31 December 2025 (Audited)</i>	<i>31 March 2025 (Reviewed)</i>
Total contingent liabilities and commitments	<u>31,743,825</u>	<u>28,405,343</u>	<u>28,407,318</u>

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>	
	<i>2026 (Reviewed)</i>	<i>2025 (Reviewed)</i>
Net profit for the period attributable to equity holders of the Bank	<u>361,148</u>	<u>407,525</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>0.039</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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2026

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:

	<i>31 March 2026 (Reviewed)</i>	<i>31 March 2025 (Reviewed)</i>
Cash on hand and balances with QCB excluding cash reserve	978,098	535,472
Due from banks	2,406,048	2,557,103
Investment securities	-	394,900
Add: Allowance for impairment	2	2
	<u>3,384,148</u>	<u>3,487,477</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 2026 (Reviewed)			31 December 2025 (Audited)			31 March 2025 (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	-	122,241	4,068,216	-	130,092	4,091,734	-	52,502	4,013,741
Customer current accounts	28,168	31,337	33,271	31,549	23,235	29,218	115,803	73,557	9,707
Participatory investment accounts	145,960	301,583	20,910,833	100,057	285,312	18,263,323	74,423	247,181	18,353,016
Other liabilities	-	-	104,364	-	-	106,803	-	-	98,435
Contingent liabilities:									
Letters of credit	-	643	-	-	1,000	-	-	550	-
Guarantees	188,695	140,710	-	159,311	138,075	-	128,671	67,770	-

*For the three-month period ended
31 March*

	2026 (Reviewed)			2025 (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	-	1,383	40,976	-	732	40,678
Net profit attributable to quasi-equity	1,134	2,645	215,081	602	2,681	224,290
Operating expenses	1,437	-	-	758	-	-

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 2026

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>	
	<i>2026 (Reviewed)</i>	<i>2025 (Reviewed)</i>
Remuneration to Board of Directors including meeting allowances	<u>6,375</u>	<u>6,375</u>
<i>Key management</i>		
Short term employee benefits	<u>5,898</u>	6,711
Other long term benefits	<u>223</u>	<u>283</u>
	<u><u>6,121</u></u>	<u><u>6,994</u></u>

18 CAPITAL ADEQUACY RATIO

The capital adequacy ratio of the Group is calculated in accordance with the Basel III Committee guidelines as adopted by the QCB.

	<i>31 March 2026 (Reviewed)</i>	<i>31 December 2025 (Audited)</i>	<i>31 March 2025 (Reviewed)</i>
Common Equity Tier 1 (CET 1) capital	22,671,482	22,302,461	22,296,750
Additional Tier 1 capital	1,037,000	1,035,014	1,032,145
Tier 2 capital	1,115,903	1,130,936	1,108,196
Total regulatory capital	<u>24,824,385</u>	<u>24,468,411</u>	<u>24,437,091</u>
Risk weighted assets			
Risk weighted assets for credit risk	86,779,441	87,384,439	85,987,036
Risk weighted assets for market risk	4,027,764	4,229,101	4,473,723
Risk weighted assets for operational risk	5,045,755	5,045,755	5,527,937
Total risk weighted assets	<u>95,852,960</u>	<u>96,659,295</u>	<u>95,988,696</u>
Common Equity Tier 1 (CET 1) ratio	<u>23.65%</u>	<u>23.07%</u>	<u>23.23%</u>
Total capital adequacy ratio	<u>25.90%</u>	<u>25.31%</u>	<u>25.46%</u>

The minimum requirements for capital adequacy ratio under Basel III as per QCB regulations are as follows:

31 March 2026	Without capital conservation buffer	Capital conservation buffer	Additional DSIB ¹ charge	ICAAP ² Pillar II capital charge	Total
Minimum limit for CET 1 ratio	6.0%	2.5%	1.0%	0.0%	9.50%
Minimum limit for Tier 1 capital ratio	8.0%	2.5%	1.0%	0.0%	11.50%
Minimum limit for Total capital ratio	10.0%	2.5%	1.0%	3.9%	17.40%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2026

18 CAPITAL ADEQUACY RATIO (continued)

31 December 2025	Without capital conservation buffer	Capital conservation buffer	Additional DSIB ¹ charge	ICAAP ² Pillar II capital charge	Total
Minimum limit for CET 1 ratio	6.0%	2.5%	1.0%	0.0%	9.50%
Minimum limit for Tier 1 capital ratio	8.0%	2.5%	1.0%	0.0%	11.50%
Minimum limit for Total capital ratio	10.0%	2.5%	1.0%	3.9%	17.40%
31 March 2025	Without capital conservation buffer	Capital conservation buffer	Additional DSIB ¹ charge	ICAAP ² Pillar II capital charge	Total
Minimum limit for CET 1 ratio	6.0%	2.5%	0.5%	0.0%	9.00%
Minimum limit for Tier 1 capital ratio	8.0%	2.5%	0.5%	0.0%	11.00%
Minimum limit for Total capital ratio	10.0%	2.5%	0.5%	2.73%	15.73%

¹ Domestic Systemically Important Bank² Internal Capital Adequacy Assessment Process**19 DISCLOSURE OF SOURCES AND APPLICATION OF CHARITY FUND FOR THE PERIOD**

	<i>For the three-month period ended 31 March</i>	
	2026	2025
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
Sources of charity fund		
Undistributed charity fund as at 1 January	190,731	162,472
Net earnings prohibited by Shari'a during the period	7,720	17,982
Total sources of charity fund	198,451	180,454
Use of charity fund		
Researches, donations and other uses during the period	(650)	(600)
Undistributed charity fund as at 31 March	197,801	179,854

20 INCOME TAX EXPENSE

	<i>For the three-month period ended 31 March</i>	
	2026	2025
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
Current tax expense	4,689	4,415
Adjustments in respect of prior years	(1,460)	(1,024)
Deferred tax expense	6,609	302
Pillar Two taxes ¹	43,745	-
	53,583	3,693

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2026

20 INCOME TAX EXPENSE (continued)

Movement of deferred tax asset is as follows:

	<i>31 March 2026 (Reviewed)</i>	<i>31 December 2025 (Audited)</i>
Balance as at 1 January	8,370	11,535
Adjustments in respect of prior years	(2,579)	3,234
Deferred tax expense during the year	(4,030)	(7,163)
Effect of foreign currency movement	<u>8</u>	<u>764</u>
Balance as at 31 March / 31 December	<u><u>1,769</u></u>	<u><u>8,370</u></u>

¹International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12

The Group is subject to the global minimum top-up tax under Pillar Two tax legislation. The top-up tax relates to the Group's operations in the State of Qatar.

In December 2021, the Organisation for Economic Co-operation and Development (OECD) issued model rules for a new global minimum 15% tax framework (Pillar Two tax), and various governments around the world have issued, or are in the process of issuing, legislation related to this framework. Qatar has enacted the OECD Pillar Two framework into domestic law through Law No. 22 of 2024, which amends the Income Tax Law No. 24 of 2018.

The law was published in the Official Gazette on 27 March 2025 and applies to fiscal periods beginning on or after 1 January 2025. Under this legislation, Qatar has implemented two Pillar Two mechanisms: (i) the Income Inclusion Rule (IIR), which requires a Qatari Ultimate Parent Entity to pay a top up tax in respect of low taxed foreign constituent entities; and (ii) a Domestic Minimum Top Up Tax (DMTT), which ensures that profits generated in Qatar are subject to a minimum effective tax rate of 15%, thereby preventing the reallocation of taxing rights to other jurisdictions.

During the period from 1 January 2025 to 30 September 2025, the implementation of Pillar Two in Qatar was subject to draft Executive Regulations that included transitional reliefs. Based on the Group's impact assessment at that time, these reliefs were applied and no Pillar Two top-up tax was recognised during those periods. Subsequently, final Executive Regulations were issued, confirming the requirement to apply Pillar Two to qualifying entities in Qatar. As a result, the Group recognised a Pillar Two top-up tax charge starting Q4 2025, following the enactment and substantive clarification of the final regulations.

The Group continues to monitor further the GloBE developments in Qatar and the other relevant jurisdictions, which may affect future tax calculations and compliance obligations.

21 GEOPOLITICAL SITUATION IN THE MIDDLE EAST

The geopolitical environment in the Middle East has been volatile since 28 February 2026 and remains subject to ongoing developments. These conditions have created indirect effects across several countries in the region, including Qatar, resulting in disruption to certain economic and business activities and heightened uncertainty in the operating environment. In response, the Group has activated its business continuity arrangements and enhanced its risk management practices to address potential operational and financial impacts arising from these disruptions.

Management is closely monitoring these developments with particular focus on their potential impact on credit risk indicators, including ECL assumptions, significant increase in credit risk ("SICR") indicators, and sector-specific exposures. While current delinquency metrics show no immediate deterioration – consistent with the expected lag between economic shocks and borrower performance – the Group has reinforced its monitoring framework across macroeconomic variables, early warning indicators, and portfolio exposures.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2026

21 GEOPOLITICAL SITUATION IN THE MIDDLE EAST (continued)

In the interim, the potential impact of prevailing disruptions has been reflected primarily through adjustments to scenario weights as well as overlays on impacted sectors. The probability weightings attributed to the macroeconomic scenarios at the parent company level are set out below:

	<i>31 March 2026</i>	<i>31 December 2025</i>	<i>31 March 2025</i>
Base case	65%	65%	65%
Upside case	10%	15%	15%
Downside case	25%	20%	20%

The resulting ECLs and impairment allowances are disclosed in Note 3 to these interim condensed consolidated financial statements.