



INDEPENDENT ASSURANCE REPORT TO THE SHAREHOLDERS OF MASRAF AL RAYAN Q.P.S.C.

Report on the suitability of design and operating effectiveness of internal controls over financial reporting of significant processes as at 31 December 2024

Introduction

In accordance with the requirements of Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market (the “Governance Code” or the “Code”) issued by the Qatar Financial Markets Authority (QFMA) Board, pursuant to Decision No. (5) for 2016, we have carried out a reasonable assurance engagement over the “Board of Directors’ Report on Internal Controls over Financial Reporting” of Masraf Al Rayan Q.P.S.C. (the “Bank”) at 31 December 2024, based on the framework issued by the Committee Of Sponsoring Organisations of the Treadway Commission “COSO Framework.

Responsibilities of the directors and those charged with governance

The Board of Directors of the Bank are responsible for presenting the “Board of Directors’ Report on Internal Controls over Financial Reporting” for the Bank on a standalone level, which includes:

- the Board of Directors’ assessment of the suitability of design and operating effectiveness of internal controls over financial reporting for the Bank on a standalone level;
- description of the identification of significant processes and internal controls over financial reporting for the Bank on a standalone level; and
- assessment of the severity of design and operating effectiveness of control deficiencies, if any noted, and not remediated at 31 December 2024.

The assessment presented in Board of Directors’ Report on Internal Controls over Financial Reporting will be based on the following elements included within the Risk Control Matrices provided by the Bank’s management:

- the control objectives; including identifying the risks that threaten the achievement of the control objectives; and
- designing and implementing controls to achieve the stated control objectives.

The Bank’s Board of Directors are also responsible for establishing and maintaining internal financial controls based on the COSO framework.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that if operating effectively would ensure the orderly and efficient conduct of its business, including:

- adherence to Bank’s policies;
- the safeguarding of its assets;
- the prevention and detection of frauds and errors;
- the accuracy and completeness of the accounting records;
- the timely preparation of reliable financial information; and
- compliance with applicable laws and regulations.



Responsibilities of the Assurance Practitioner

Our responsibilities are to express a reasonable assurance opinion based on our assurance procedures on the “Board of Directors’ Report on Internal Controls over Financial Reporting of significant processes” for the Bank on a standalone level, based on the COSO framework.

We have conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) ‘Assurance Engagements Other Than Audits or Reviews of Historical Financial Information’ issued by the International Auditing and Assurance Standards Board (‘IAASB’). This standard requires that we plan and perform our procedures to obtain reasonable assurance on the Board of Directors’ assessment of suitability of the design and operating effectiveness of the internal controls over financial reporting of significant processes, as presented in the “Board of Directors’ Report on Internal Controls over Financial Reporting” for the Bank on a standalone level, in all material respects, to achieve the related control objectives stated in the description of the relevant processes by management, based on the COSO framework.

A process is considered significant if a misstatement due to fraud or error in the stream of transactions or financial statements amount would reasonably be expected to impact the decisions of the users of financial statements. The processes that were determined as significant are:

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| 1- Corporate and retail financing | 7- Entity level controls |
| 2- Compliance | 8- Information technology general controls |
| 3- Treasury and investments | 9- Procurement, payable and payments |
| 4- Trade finance | 10- Human resources and payroll |
| 5- General ledger, financial reporting and disclosures | |
| 6- Deposits (including participatory investment accounts) | |

An assurance engagement to express a reasonable assurance opinion on the “Board of Directors’ Report on Internal Controls over Financial Reporting of significant processes” for the Bank on a standalone level based on the COSO framework and as presented in the Board of Directors’ Report on Internal Controls over Financial Reporting involves performing procedures to obtain evidence about the fair presentation of the report. Our procedures on internal controls over financial reporting included:

- obtaining an understanding of internal controls over financial reporting for significant processes;
- assessing the risk that a material weakness exists; and
- testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

In carrying out our engagement, we obtained understanding of the following components of the control system:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring Activities

The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the suitability of design and operation, whether due to fraud or error. Our procedures also included assessing the risks that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the “Board of Directors’ Report on Internal Controls over Financial Reporting of significant processes” for the Bank on a standalone level. Our procedures included testing the operating effectiveness of those controls that we consider necessary to provide reasonable assurance that the related control objectives were achieved.

An assurance engagement of this type also includes evaluating the Board of Directors’ assessment of the suitability of the design and operating effectiveness of the controls over the control objectives stated therein. It further includes performing such other procedures as considered necessary in the circumstances.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Board of Directors’ Report on Internal Controls over Financial Reporting of significant processes.



Our independence and quality control

In carrying out our work, we have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (“IESBA Code”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and the ethical requirements that are relevant in Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm applies International Standard on Quality Management 1 (“ISQM 1”) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Concept of internal controls over financial reporting

An entity’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Financial Accounting Standards (FAS) issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as modified by the Qatar Central Bank (QCB). An entity’s internal control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorizations of the management of the entity; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity’s assets that could have a material effect on the financial statements.

Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the “Board of Directors’ Report on Internal Controls over Financial Reporting of significant processes” for the Bank on a standalone level and the methods used for determining such information.

Because of the inherent limitations of internal controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal controls over financial reporting to future periods are subject to the risk that the internal control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Furthermore, the controls activities designed and operated as of 31 December 2024 covered by our assurance report will not have retrospectively remedied any weaknesses or deficiencies that existed in relation to the internal controls over the financial reporting for significant processes prior to the date those controls were placed in operation.



Other information

The Board of Directors are responsible for the other information. The other information comprises the Annual Report (but does not include the “Board of Directors Report on Internal Controls over Financial Reporting”) which is expected to be made available to us after the date of this assurance report.

Our opinion on the “Board of Directors’ Report on Internal Controls over Financial Reporting of significant processes” does not cover the other information and we do not and will not express any form of assurance opinion thereon.

In connection with our assurance engagement on the “Board of Directors’ Report on Internal Controls over Financial Reporting of significant processes” for the bank on a standalone level, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with our knowledge obtained in the engagement, or otherwise appears to be materially misstated.

If we conclude that there is a material distortion of the other information we obtained prior to the date of this report, based on our actions, we are required to report that fact.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Opinion

In our opinion, based on the results of our reasonable assurance procedures, the Board of Directors’ assessment of the suitability of the design and the operating effectiveness of the Bank’s internal controls over financial reporting of significant processes, based on the COSO framework and as presented in the “Board of Directors’ Report on Internal Controls over Financial Reporting of significant processes”, is presented fairly, in all material respects, as at 31 December 2024.

Emphasis of matter

We draw attention to the fact that this assurance report does not extend to any subsidiaries of the Bank. Our opinion is not modified in this respect.

For and on behalf of PricewaterhouseCoopers - Qatar Branch
Qatar Financial Market Authority registration number 120155

Waleed Tahtamouni
Auditor’s registration number 370
Doha, Qatar
18 February 2025

