



AlRayan Bank (Q.P.S.C.)

Basel Pillar 3 Disclosures

31 December 2024

AlRayan Bank Q.P.S.C. (Formerly Masraf Al Rayan (Q.P.S.C.))

Basel Pillar 3 Disclosures

31 December 2024

(All amounts are shown in thousands of Qatari Riyals)



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1. Overview of risk management, key prudential metrics and RWA categories: DIS20

Key metrics (at consolidated group level): **KM1**

	T	T-1	T-2	T-3	T-4	
	31 December 2024	30 September 2024	30 June 2024	31 March 2024	31 December 2023	
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	21,827,526	21,335,479	21,233,125	21,190,533	21,263,127
1a	Fully loaded ECL accounting model CET1	-	-	-	-	-
2	Tier 1	22,858,112	22,365,049	22,260,913	22,214,112	22,263,127
2a	Fully loaded ECL accounting model Tier 1	-	-	-	-	-
3	Total capital	24,012,874	23,439,656	23,323,717	23,202,898	23,196,144
3a	Fully loaded ECL accounting model total capital	-	-	-	-	-
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	100,405,527	100,425,368	98,306,881	98,308,827	106,188,034
Risk-based capital ratios as a percentage of RWA						
5	CET1 ratio (%)	21.74%	21.25%	21.60%	21.56%	20.02%
5a	Fully loaded ECL accounting model CET1 (%)	21.74%	21.25%	21.60%	21.56%	20.02%
6	Tier 1 ratio (%)	22.77%	22.27%	22.64%	22.60%	20.97%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	22.77%	22.27%	22.64%	22.60%	20.97%
7	Total capital ratio (%)	23.92%	23.34%	23.73%	23.60%	21.84%
7a	Fully loaded ECL accounting model total capital ratio (%)	23.92%	23.34%	23.73%	23.60%	21.84%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.5%
9	Countercyclical buffer requirement (%)	-	-	-	-	-
10	ICAAP Pillar II buffer (%)	2.73%	2.39%	2.39%	2.39%	2.39%
11	Bank G-SIB and/or D-SIB additional requirements (%)	0.50%	1.00%	1.00%	1.00%	1.0%
12	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	5.73%	5.89%	5.89%	5.89%	5.89%
13	CET1 available after meeting the bank's minimum capital requirements (%)	12.74%	11.75%	12.10%	12.06%	10.52%
Basel III Leverage Ratio						
14	Total Basel III leverage ratio exposure measure	180,062,195	178,326,585	173,767,893	172,637,292	173,880,736
15	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves)	12.7%	12.5%	12.8%	12.9%	12.8%
15b	Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	12.7%	12.5%	12.8%	12.9%	12.8%
Liquidity Coverage Ratio (LCR)						
16	Total high-quality liquid assets (HQLA)	38,352,009	37,803,815	36,041,451	36,803,159	37,012,193
17	Total net cash outflow	25,173,943	25,599,785	21,900,253	21,214,423	23,348,542
18	LCR ratio (%)	152.35%	147.67%	164.57%	173.48%	158.52%
Net Stable Funding Ratio (NSFR)						
19	Total available stable funding	102,044,484	99,981,515	100,972,605	101,880,622	87,541,903
20	Total required stable funding	105,157,932	105,510,973	102,759,344	101,292,136	100,687,757
21	NSFR ratio	97.04%	94.76%	98.26%	100.58%	86.94%

1. Overview of risk management, key prudential metrics and RWA categories: DIS20 (continued)

Bank risk management approach: **OVA**

a) Risk Management Culture, Governance, and Strategy

The strategy of the Group is to compete in select banking markets:

- Corporate Banking
- Treasury and Fixed Income
- Premium and Private Banking
- Trade Finance

The risks taken to fulfill this strategy should be Qatar-focused, ensure sustainable value-creation, and not harm the AlRayan brand. The Group places a premium on on-going value creation, seeking to ensure a sustained growth in profits, strong performance relative to other Qatari banks, and a continued increase in shareholder value even in moderately stressed scenarios.

The Group Risk Management Framework is based on the principle of “three lines of defense”. The first line of defense consists of the business functions, which are accountable for the day-to-day management and control of all risks at an operational level, and for implementing processes and controls in compliance with the Group’s approved Delegation of Authority, policies, and procedures.

The second line of defense consists of the control functions, primarily Risk Management, Compliance and Legal. These functions are responsible for ensuring that the activities of the Group are conducted with proper risk consideration and within the Risk Management framework, tools and methodologies, as well as complying with applicable legal and regulatory requirements. Regular monitoring and reporting to the Board of Directors and senior management committees are an integral part of these functions’ remit.

The third line of defense is Internal Audit, which is responsible for independently evaluating the adequacy and effectiveness of key controls and assessing compliance with Group policies and procedures.

The risk governance structure at AlRayan Bank (“ARB” or “the Bank”) consists of five layers comprising of the following:

Level 1: Board of Directors

Level 2: Board Compliance and Risk Committee (Board CRC)

Level 3: Senior management committees: Group Risk Committee (GRC), Group Credit and Investment Committee (GCIC), Group Asset, Liability and Capital Committee (GALCCO), Group Special Investigations Committee (GSIC), and Security Steering Committee (SSC)

Level 4: Group Risk Management: Enterprise Risk Management, Credit Risk Management, Credit Admin, Collections, Market Risk Management, Liquidity Risk Management, Operational Risk Management, Fraud Risk Monitoring, Business Continuity Management, and Security Risk Management

Level 5: Business Units

The overall responsibility for ensuring robust risk management rests with the Board of Directors (Level 1), while the execution of the oversight at Board level sits with the Board Compliance and Risk Committee (Level 2). The Board CRC has the overall responsibility of ensuring that adequate policies, procedures, and methodologies are in place for risk management, and that they are properly implemented.

1. Overview of risk management, key prudential metrics and RWA categories: DIS20 (continued)

Bank risk management approach: **OVA** (continued)

Supporting the Board CRC are the senior management committees (Level 3) that cover the various aspects of risk management.

Group Risk Appetite

In line with international best practice, the Group has articulated a Risk Appetite Statement stating the level and types of risk the Group is willing to accept, or avoid, in order to achieve its objectives. It includes both qualitative and quantitative statements. The Risk Appetite framework is the overall approach, including policies, processes, controls, and systems through which the risk appetite is established, communicated, and monitored.

Group Risk Management

Group Risk Management is fully independent from the commercial lines of business. The Group Chief Risk Officer reports directly to the Group Chief Executive Officer with an indirect reporting line to the Board Compliance and Risk Committee.

The Group's risk management framework includes a robust set of policies approved by the Board CRC, procedures and supporting documents. The main responsibilities of Group Risk Management are to manage credit & counterparty risk, market & liquidity risk, IT & physical security risk, operational risk, business continuity, and fraud risk; and to ensure compliance with risk-related central bank regulations.

b) Tools & Techniques

The basic concepts and tools that AlRayan Bank may use to define its current and desired portfolio quality and expected returns include:

- a. Internal ratings
- b. Risk Adjusted Return on Capital (RAROC);
- c. Carefully screened Target Markets (TM);
- d. Appropriate sets of Risk Acceptance Criteria (RAC)

In addition, all credit decisions are made in line with the authorities outlined in the Group Credit Approval Authority document.

c) Link to Business Strategy

The Group has annual portfolio plans that set target markets by industry, business or product. These target markets are developed by the Business, reviewed by Risk and approved by the Credit & Investment Committee.

The Group exposures classified by industry and geographical location are presented to the GRC at each meeting, facilitating discussion on the risk exposures of the Group and how this aligns with business strategy. Similar details are presented in a summarized form to the Board CRC at each meeting.

The Finance department incorporates the business strategy for each business line into account in the planning of future budgets for the Group. These budgets form part of the annual ICAAP submission to the Qatar Central Bank ("QCB"), which aligns the capital required for the risks the Group undertakes with the capital held.

Through the above, the risk management of the Group is aligned with the business strategy.

1. Overview of risk management, key prudential metrics and RWA categories: DIS20 (continued)

Bank risk management approach: **OVA** (continued)

d) Systems

The core banking system of the Bank is the Equation system, an open real-time system. Departments access information from the system in one of three ways:

- Individual customer data through manual searches
- Large volume portfolio data through data extraction queries
- Pre-defined reports

Required information can be quickly and easily accessed through use of these processes.

e) Reporting Committees

Group Risk Committee (GRC)

The Group Risk Committee is chaired by the Group Chief Risk Officer, and supports Executive Management in managing various types of risks the Group is exposed to, as well as recommending to the Board CRC the risk appetite, risk strategies, and relevant risk policies of the organization. The GRC meets regularly throughout the year to review the profile and coverage of risks including credit risk, counterparty risk, operational risk, fraud risk, business continuity management, and insurance management. Additional key risk information such as the risk appetite dashboard and the non-performing financing asset development is also reviewed by the committee.

Credit & Investment Committee (GCIC)

The Credit and Investment Committee is chaired by the GCEO. Its objectives are to approve credit and counterparty limits, and credit product programs, within its mandate as delegated from the Board of Directors. The committee is also responsible for reviewing and approving the restructuring of non-performing facilities.

Group Asset, Liability and Capital Committee (GALCCO)

The Group Asset, Liability and Capital Committee is chaired by the Group Chief Financial Officer, and supports Executive Management in managing the asset, liability, and capital structure of the Group. The objective of the GALCCO is to maintain an appropriate mix of assets, liabilities, and capital given the prevailing and potential future economic conditions. The committee is also responsible for monitoring and managing the NIM and regulatory & internal ratios; recommending policies related to market risk, liquidity risk, and capital management; and approving new funding products proposed by the Business and Treasury functions.

Group Special Investigations Committee (GSIC)

The Group Special Investigations Committee advises on, supervises, and monitors investigations into events of potential impropriety relating to internal and external fraud incidents. The committee has an advisory and recommending role in assisting the EXCO to respond to events of impropriety and fraud incidents and, where applicable, recommending to the EXCO the appropriate plan of action with respect to any ongoing investigation.

1. Overview of risk management, key prudential metrics and RWA categories: DIS20 (continued)

Bank risk management approach: **OVA** (continued)

e) Reporting Committees (continued)

Security Steering Committee (SSC)

The Security Steering Committee, chaired by the Group Chief Executive Officer, oversees the Group's security risk management program, including both IT and Physical Security. The committee meets quarterly to monitor progress of the security strategic plan and security related developments, review security risks, and mandate risk mitigation steps.

f) Timing

The timing of reporting depends on the type of risk being reported and the audience. Ad hoc reporting of significant risks is conducted as required, however in general the following is the schedule:

- Credit risk, Treasury risk, Operational risk: Reporting 9 times a year to the GRC based on the latest month-end data preceding the meeting date.
- Market, liquidity and capital risk: Reported monthly to the GALCCO based on the latest month-end data preceding the meeting date.
- Fraud incidents: Reporting immediately to senior management; if deemed material discussed in GSIC convened by request of the committee Chairman.
- Security risk: Reported quarterly to SSC.

g) Stress Testing

Stress testing is used in AlRayan Bank to critically challenge the business plan and risk appetite by:

- Estimating the sensitivity of the Bank's capital and liquidity position to unfavourable economic (i.e. systemic) and idiosyncratic scenarios;
- Enhancing planning and budgeting;
- Providing tools and inputs that are complimentary to other risk management tools to help in achieving a comprehensive risk assessment;
- Improving the understanding of the link between the economic environment and the performance of AlRayan Bank;
- Enabling better understanding and management of risks by providing an understanding of the volatility of business and portfolio performance; and
- Providing an additional input into the validation of AlRayan Bank's risk appetite setting, ensuring that its capital position (current and anticipated) matches its strategy and risk structure.

Stresses and scenarios analyses at AlRayan Bank can be classified as:

- Historical/statistical stresses and scenarios – These are based on historic data which implicitly assumes that the past is a good predictor for the future. An example of how this can be done is by stressing the projected non-performing assets percentage by a certain number of standard deviations of the last five years of historic data.
- Hypothetical stresses and scenarios – These are projected movements in risk parameters based on expert judgement. It is assumed that these movements represent severe but plausible future state/states. An example is a withdrawal of 30% of client deposits.
- Hybrid stresses and scenarios – These are a combination of both historical and hypothetical. This is done through hypothetical add-ons to historical data.

1. Overview of risk management, key prudential metrics and RWA categories: DIS20 (continued)

Bank risk management approach: **OVA** (continued)

g) Stress Testing (continued)

Stresses and scenarios analysed differ in their degree of severity as presented below:

- Business as Usual – These are covered in the normal planning and budgeting exercise
- Economic Environment Events – More severe events reflecting changes in the business cycle. These are defined as 1-in-10 type scenarios (meaning this event is likely, but not guaranteed, to occur once every ten years)
- Exceptional but Plausible – Low frequency/high impact events. These are defined as 1-in-25 type scenarios and are the main focus of stress testing at AlRayan Bank (meaning this event is likely, but not guaranteed, to occur once every twenty five years)
- Extreme Scenarios – Very rare, ultra high severity scenarios. These scenarios are generally hypothetical.

Further to the severity of stresses as discussed above, the Bank should also consider the length of the impact of the individual stresses. These are:

- Short Term – These events are generally one off, or last for a period of less than one year; and
- Long Term – These events last for longer than one year and can have a material impact on the overall business- and/or economic environment.

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1. Overview of risk management, key prudential metrics and RWA categories: DIS20 (continued)

Overview of risk-weighted assets (RWA): OV1

	T		T-1		T-2		T-3		T-4		
	RWA	Minimum capital requirements	RWA	Minimum capital requirements	RWA	Minimum capital requirements	RWA	Minimum capital requirements	RWA	Minimum capital requirements	
	31 December 2024	31 December 2024	30 September 2024	30 September 2024	30 June 2024	30 June 2024	31 March 2024	31 March 2024	31 December 2023	31 December 2023	
1	Credit risk (excluding counterparty credit risk)	88,549,828	13,928,888	88,139,966	14,005,441	86,750,277	13,784,619	86,435,357	13,734,578	95,383,243	15,156,397
2	Of which: standardised approach (SA)	88,549,828	13,928,888	88,139,966	14,005,441	86,750,277	13,784,619	86,435,357	13,734,578	95,383,243	15,156,397
3	Of which: foundation internal ratings-based (F-IRB) approach	-	-	-	-	-	-	-	-	-	-
4	Of which: supervisory slotting approach	-	-	-	-	-	-	-	-	-	-
5	Of which: advanced internal ratings-based (A-IRB) approach	-	-	-	-	-	-	-	-	-	-
6	Counterparty credit risk (CCR)	900,361	141,627	653,623	103,861	649,629	103,226	777,755	123,585	832,319	132,256
7	Of which: standardised approach for counterparty credit risk	900,361	141,627	653,623	103,861	649,629	103,226	777,755	123,585	832,319	132,256
8	Of which: CEM	-	-	-	-	-	-	-	-	-	-
9	Of which: other CCR	-	-	-	-	-	-	-	-	-	-
10	Credit valuation adjustment (CVA)	900,361	141,627	653,623	103,861	649,629	103,226	777,755	123,585	168,229	26,732
11	Equity positions under the simple risk weight approach and the internal model method during the five-year linear phase-in period	-	-	-	-	-	-	-	-	-	-
	Equity investments in funds – Standard-Based approach	-	-	-	-	-	-	-	-	-	-
12	Equity investments in funds – look-through approach	-	-	130,650	20,760	127,578	20,272	132,638	21,076	-	-
13	Equity investments in funds – mandate-based approach	118,512	18,641.87	-	-	-	-	-	-	-	-
14	Equity investments in funds – fall-back approach	-	-	-	-	-	-	-	-	1,492,382	237,139

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1. Overview of risk management, key prudential metrics and RWA categories: DIS20 (continued)

Overview of risk-weighted assets (RWA): **OV1** (continued)

	T		T-1		T-2		T-3		T-4	
	RWA	Minimum capital requirements	RWA	Minimum capital requirements	RWA	Minimum capital requirements	RWA	Minimum capital requirements	RWA	Minimum capital requirements
	31 December 2024	31 December 2024	30 September 2024	30 September 2024	30 June 2024	30 June 2024	31 March 2024	31 March 2024	31 December 2023	31 December 2023
15 Settlement risk	-	-	-	-	-	-	-	-	-	-
16 Securitisation exposures in banking book	-	-	-	-	-	-	-	-	-	-
17 Of which: securitisation IRB approach (SEC-IRBA)	-	-	-	-	-	-	-	-	-	-
18 Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	-	-	-	-	-	-	-	-	-	-
19 Of which: securitisation standardised approach (SEC-SA)	-	-	-	-	-	-	-	-	-	-
20 Market risk	3,959,994	622,907	3,584,486	569,575	2,880,700	457,743	2,949,645	468,699	197,152	31,327
21 Of which: standardised approach (SA)	3,959,994	622,907	3,584,486	569,575	2,880,700	457,743	2,949,645	468,699	197,152	31,327
22 Of which: internal model approach (IMA)	-	-	-	-	-	-	-	-	-	-
23 Capital charge for switch between trading book and banking book	-	-	-	-	-	-	-	-	-	-
24 Operational risk	5,527,937	869,545	6,619,415	1,051,825	6,619,416	1,051,825	6,619,415	1,051,825	7,549,804	1,199,664
25 Amounts below the thresholds for deduction (subject to 250% risk weight)	448,535	70,555	643,603	102,268	629,653	100,052	616,263	97,924	564,905	89,763
26 Output floor applied	-	-	-	-	-	-	-	-	-	-
27 Floor adjustment (before application of transitional cap)	-	-	-	-	-	-	-	-	-	-
28 Floor adjustment (after application of transitional cap)	-	-	-	-	-	-	-	-	-	-
29 Total (1 + 6 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 20 + 23 + 24 + 25 + 28)	100,405,527	15,793,789	100,425,368	15,957,591	98,306,881	15,620,963	98,308,827	15,621,273	106,188,034	16,873,279

2. Composition of capital and TLAC: DIS25

Main features of regulatory capital instruments: **CCA**

31 December 2024		Quantitative / Qualitative information	Quantitative / Qualitative information
		Equity shares	QAR 1 billion additional tier 1
1	Issuer	AlRayan Bank Q.P.S.C. (Formerly Masraf Al Rayan (Q.P.S.C.))	AlRayan Bank Q.P.S.C. (Formerly Masraf Al Rayan (Q.P.S.C.))
2	Unique identifier (eg Committee on Uniform Security Identification Procedures (CUSIP), International Securities Identification Number (ISIN) or Bloomberg identifier for private placement)	MARK ISIN Number: QA000A0M8VM3	Private placement
3	Governing law(s) of the instrument	State of Qatar Law	State of Qatar Law
3a	Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for other TLAC-eligible instruments governed by foreign law)		
4	Transitional Basel III rules	CET 1	Additional tier 1
5	Post-transitional Basel III rules	CET 1	Additional tier 1
6	Eligible at solo/group/group and solo	Solo and Group	Solo and group
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Additional tier 1 capital instrument
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	QAR 9.3 billion	QAR 1.0 billion
9	Nominal amount of the instrument	QAR 9.3 billion	QAR 1.0 billion
10	Accounting classification	Equity	Instrument eligible as additional capital
11	Original date of issuance	4 January 2006	30 March 2016
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	N/a	Perpetual
14	Issuer call subject to prior supervisory approval	N/a	Five years from the issue date, and every fifth anniversary thereafter, at the issuer absolute discretion (subject to redemption condition)
15	Optional call date, contingent call dates and redemption amount	N/a	Five years from the issue date, and every fifth anniversary thereafter Redemption amount: full value
16	Subsequent call dates, if applicable	N/a	N/a
<i>Coupons / dividends</i>			
17	Fixed or floating dividend/coupon	Variable	Fixed - Re-priced every 5 years
18	Coupon rate and any related index	Variable	Fixed - Re-priced every 5 years
19	Existence of a dividend stopper	N/a	No
20	Fully discretionary, partially discretionary or mandatory	Full discretionary	Full discretionary

2. Composition of capital and TLAC: DIS25 (continued)

Main features of regulatory capital instruments: **CCA** (continued)

31 December 2024		Quantitative / Qualitative information	Quantitative / Qualitative information
		Equity shares	QAR 1 billion additional tier 1
21	Existence of step-up or other incentive to redeem	N/a	N/a
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	N/a	Non-convertible
24	If convertible, conversion trigger(s)	N/a	N/a
25	If convertible, fully or partially	N/a	N/a
26	If convertible, conversion rate	N/a	N/a
27	If convertible, mandatory or optional conversion	N/a	N/a
28	If convertible, specify instrument type convertible into	N/a	N/a
29	If convertible, specify issuer of instrument it converts into	N/a	N/a
30	Writedown feature	N/a	Depends on regulator's decision
31	If writedown, writedown trigger(s)	N/a	N/a
32	If writedown, full or partial	N/a	N/a
33	If writedown, permanent or temporary	N/a	N/a
34	If temporary write-down, description of writeup mechanism	N/a	N/a
34a	Type of subordination	N/a	Subordinated (Additional tier 1)
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	N/a	Ranks junior to all Senior Obligations of the Issuer; (b) pari passu with all other Pari Passu Obligations of the Issuer; and (c) senior to all Junior Obligations of the Issuer
36	Non-compliant transitioned features	N/a	N/a
37	If yes, specify non-compliant features	N/a	N/a

2. Composition of capital and TLAC: DIS25 (continued)

Composition of regulatory capital: CC1

	31 December 2024	30 June 2024	
Common Equity Tier 1 capital: instruments and reserves			
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	9,300,000	9,300,000
2	Retained earnings	1,457,770	977,842
3	Accumulated other comprehensive income (and other reserves)	12,390,725	12,345,050
4	<i>Directly issued capital subject to phase-out from CET1 capital (only applicable to non-joint stock companies)</i>	-	-
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1 capital)	129,989	118,099
6	Common Equity Tier 1 capital before regulatory adjustments	23,278,484	22,740,991
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudent valuation adjustments	-	-
8	Goodwill (net of related tax liability)	(877,486)	(877,486)
9	Other intangibles other than mortgage servicing rights (MSR) (net of related tax liability)	(573,472)	(630,380)
10	Deferred tax assets (DTA) that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	-	-
11	Cash flow hedge reserve	-	-
12	Shortfall of provisions to expected losses	-	-
13	Securitisation gain on sale (as set out in [CAP30.14])	-	-
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
15	Defined benefit pension fund net assets	-	-
16	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	-	-
17	Reciprocal cross-holdings in common equity	-	-
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-
20	MSR (amount above 10% threshold)	-	-
21	DTA arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-
22	Amount exceeding the 15% threshold	-	-
23	Of which: significant investments in the common stock of financials	-	-
24	Of which: MSR	-	-
25	Of which: DTA arising from temporary differences	-	-
26	National specific regulatory adjustments	-	-
27	Regulatory adjustments applied to Common Equity Tier 1 capital due to insufficient Additional Tier 1 and Tier 2 capital to cover deductions	-	-

2. Composition of capital and TLAC: DIS25 (continued)

Composition of regulatory capital: **CC1** (continued)

	31 December 2024	30 June 2024
28 Total regulatory adjustments to Common Equity Tier 1 capital	(1,450,958)	(1,507,866)
29 Common Equity Tier 1 capital (CET1)	21,827,526	21,233,125
Additional Tier 1 capital: instruments		
30 Directly issued qualifying additional Tier 1 instruments plus related stock surplus	1,000,000	1,000,000
31 Of which: classified as equity under applicable accounting standards	-	-
32 Of which: classified as liabilities under applicable accounting standards	-	-
33 <i>Directly issued capital instruments subject to phase-out from additional Tier 1 capital</i>	-	-
34 Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group additional Tier 1 capital)	30,586	27,788
35 <i>Of which: instruments issued by subsidiaries subject to phase-out</i>	-	-
36 Additional Tier 1 capital before regulatory adjustments	1,030,586	1,027,788
Additional Tier 1 capital: regulatory adjustments		
37 Investments in own additional Tier 1 instruments	-	-
38 Reciprocal cross-holdings in additional Tier 1 instruments	-	-
39 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-
40 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-
41 National specific regulatory adjustments	-	-
42 Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions	-	-
43 Total regulatory adjustments to additional Tier 1 capital	-	-
44 Additional Tier 1 capital (AT1)	1,030,586	1,027,788
45 Tier 1 capital (T1 = CET1 + AT1)	22,858,112	22,260,913
Tier 2 capital: instruments and provisions		
46 Directly issued qualifying Tier 2 instruments plus related stock surplus	-	-
47 <i>Directly issued capital instruments subject to phase-out from Tier 2 capital</i>	-	-
48 Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	30,586	27,788
49 <i>Of which: instruments issued by subsidiaries subject to phase-out</i>	-	-
50 Provisions	1,124,177	1,035,016
51 Tier 2 capital before regulatory adjustments	1,154,763	1,062,804
Tier 2 capital: regulatory adjustments		
52 Investments in own Tier 2 instruments	-	-
53 Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	-	-

2. Composition of capital and TLAC: DIS25 (continued)

Composition of regulatory capital: CC1 (continued)

	31 December 2024	30 June 2024
54	-	-
54a	-	-
55	-	-
56	-	-
57	-	-
58	1,154,763	1,062,804
59	24,012,874	23,323,717
60	100,405,527	98,306,881
Capital adequacy ratios and buffers		
61	21.74%	21.60%
62	22.77%	22.64%
63	23.92%	23.73%
64	5.73%	5.89%
65	2.50%	2.50%
66	-	-
67	0.50%	1.00%
68	2.73%	2.39%
69	12.74%	11.75%
70	1,124,177	1,035,016
71	1,136,470	1,110,085
72	-	-
73	-	-

AlRayan Bank Q.P.S.C. (Formerly Masraf Al Rayan (Q.P.S.C.))

Basel Pillar 3 Disclosures

31 December 2024

(All amounts are shown in thousands of Qatari Riyals)



2. Composition of capital and TLAC: DIS25 (continued)

Reconciliation of regulatory capital to balance sheet: CC2

	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference to the consolidated financial statements	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference to the interim condensed consolidated financial statements
	31 December 2024	31 December 2024	31 December 2024	30 June 2024	30 June 2024	30 June 2024
ASSETS						
Cash and balances with central banks	5,671,858	5,671,855	8	5,711,862	5,711,862	
Due from banks	5,164,680	5,167,268	9	3,163,072	3,162,940	
Financing assets	110,039,563	122,214,002	10	108,409,323	123,795,135	7
Investment securities	43,767,223	43,435,543	11	38,435,618	38,126,251	8
Investment in associates	348,274	348,274	12	328,484	328,484	9
Fixed assets	1,011,448	1,011,448	13	979,656	979,656	
Intangible assets	1,450,958	1,450,958	14	1,507,866	1,507,866	
Other assets	3,639,773	5,833,621	15	3,608,831	5,743,641	
TOTAL ASSETS	171,093,777	185,132,969		162,144,712	179,355,835	
LIABILITIES, QUASI-EQUITY AND EQUITY						
Due to banks and other borrowings	30,135,119	30,008,383	16 and 19	18,987,353	18,841,388	10 and 12
Customer current accounts and participatory investment accounts	107,610,349	106,491,004	17 and 21	108,934,513	107,871,256	13
Sukuk and debt financing	3,293,405	3,262,144	18	5,207,777	5,168,244	11
Other liabilities	4,724,048	21,819,727	20	4,356,189	23,853,550	
TOTAL LIABILITIES AND QUASI-EQUITY	145,762,921	161,581,259		137,485,832	155,734,438	
EQUITY						
Share capital	9,300,000	9,300,000	22 (a)	9,300,000	9,300,000	14 (a)
Legal reserve	9,644,166	9,644,166	22 (b)	9,644,166	9,644,166	14 (b)
Risk reserve	2,700,401	2,661,613	22 (c)	2,661,613	2,661,613	14 (c)
Fair value reserve	51,278	51,333	22 (d)	40,480	40,480	14 (d)
Foreign currency translation reserve	(141,049)	-	22 (e)	(126,278)	-	14 (e)
Other reserves	135,929	(16,035)	22 (f)	125,069	(1,209)	14 (f)
Retained earnings	2,387,770	910,633		1,765,405	976,347	
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK	24,078,495	22,551,710		23,410,455	22,621,397	
Non-controlling interest	252,361	-	23	248,425	-	15
Instrument eligible as additional capital	1,000,000	1,000,000	24	1,000,000	1,000,000	
TOTAL EQUITY	25,330,856	23,551,710		24,658,880	23,621,397	
TOTAL LIABILITIES, QUASI-EQUITY AND EQUITY	171,093,777	185,132,969		162,144,712	179,355,835	

3. Capital distribution constraints: DIS26

Capital distribution constraints: **CDC**

31 December 2024		CET1 capital ratio that would trigger capital distribution constraints (%)	Current CET1 capital ratio (%)
1	CET1 minimum requirement plus capital buffers (<u>not</u> taking into account CET1 capital used to meet other minimum regulatory capital/ TLAC ratios)	8.5%	21.74%
2	CET1 capital plus capital buffers (taking into account CET1 capital used to meet other minimum regulatory capital/ TLAC ratios)	9.0%	21.74%
		Leverage ratio that would trigger capital distribution constraints (%)	Current leverage ratio (%)
3	Leverage ratio	3%	12.7%

4. Linkages Between Financial Statements and Regulatory Exposures

Explanations of differences between accounting and regulatory exposure amounts: **LIA**

a) Explanation of the significant differences between the amounts in columns (a) and (b) in Template LI1

The following are the significant differences between the balances in the published consolidated financial statements and the regulatory consolidated financial statements:

- Profit receivables accruing from financial assets, namely due from banks, financing assets and investment securities are classified under their respective balance sheet line items in the published consolidated financial statements while these amounts are classified as other assets in the regulatory consolidated financial statements.
- Impairment allowances and deferred profit recognized for financial assets, namely due from banks, financing assets and investment securities are netted against their respective asset class in the published consolidated financial statements while these amounts are classified as other liabilities in the regulatory consolidated financial statements.
- Net profit for the period is closed to retained earnings in the published consolidated financial statements while this amount is classified under other liabilities in the regulatory consolidated financial statements.
- Acceptances are classified within financing assets in the published consolidated financial statements while these amounts are classified as off-balance sheet in the regulatory consolidated financial statements.
- Appropriation of year end reserves are carried out in the regulatory consolidated financial statements only after the approval of the Group's shareholders on the published consolidated financial statements.

4. Linkages Between Financial Statements and Regulatory Exposures *(continued)*

Explanations of differences between accounting and regulatory exposure amounts: **LIA** *(continued)*

b) Valuation methodologies, including an explanation of how far mark-to-market and mark-to-model methodologies are used

Fair value is the amount for which an asset could be exchanged, or an obligation settled between well informed and willing parties (seller and buyer) in an arm's length transaction. 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.

c) Banks with insurance subsidiaries

AlRayan Bank Q.P.S.C. does not have insurance subsidiary as at 31 December 2024.

4. Linkages Between Financial Statements and Regulatory Exposures *(continued)*

Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories: **LI1**

	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items:				Not subject to capital requirements or subject to deduction from capital
			Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework	
Assets							
Cash and balances with central banks	5,671,858	5,671,855	5,671,855	-	-	-	-
Due from banks	5,164,680	5,167,268	5,167,268	-	-	-	-
Financing assets	110,039,563	122,214,002	122,214,002	-	-	-	-
Investment securities	43,767,223	43,435,543	42,729,900	5,261,011	-	705,643	-
Investment in associates	348,274	348,274	266,963	-	-	81,311	-
Fixed assets	1,011,448	1,011,448	1,011,448	-	-	-	-
Intangible assets	1,450,958	1,450,958	-	-	-	-	1,450,958
Other assets	3,639,773	5,833,621	5,822,784	430,744	-	10,837	-
Total assets	171,093,777	185,132,969	182,884,220	5,691,755	-	797,791	1,450,958
Liabilities and quasi-equity							
Due to banks and other borrowings	30,135,119	30,008,383	-	5,036,914	-	-	-
Customer current accounts and participatory investment accounts	107,610,349	106,491,004	-	-	-	-	-
Sukuk and debt financing	3,293,405	3,262,144	-	-	-	-	-
Other liabilities	4,724,048	21,819,727	13,051,244	356,172	-	-	-
Total liabilities and quasi-equity	145,762,921	161,581,259	13,051,244	5,393,086	-	-	-

4. Linkages Between Financial Statements and Regulatory Exposures *(continued)*

Main sources of differences between regulatory exposure amounts and carrying values in financial statements: **L12**

	Amounts under scope of regulatory consolidation *	Items subject to:				
		Credit risk framework	Securitisation framework	Counterparty credit risk framework	Market risk framework	
1	Asset carrying value amount under scope of regulatory consolidation (as per Template L11)	185,132,969	182,884,220	-	5,691,755	797,791
2	Liabilities carrying value amount under regulatory scope of consolidation (as per Template L11)	-	13,051,244	-	5,393,086	-
3	Total net amount under regulatory scope of consolidation (Row 1 – Row 2)	185,132,969	169,832,976	-	298,669	797,791
4	Off-balance sheet amounts	15,837,284	15,837,284	-	-	-
5	<i>Differences due to credit conversion factors</i>	-	(8,460,790)	-	-	-
6	<i>Differences due to different netting rules, other than those already included in row 2</i>	-	-	-	-	-
7	<i>Differences due to consideration of provisions</i>	-	-	-	-	-
8	<i>Differences due to the use of credit risk mitigation techniques (CRMs) and other differences</i>	-	(22,579,635)	-	3,669,233	-
9	Exposure amounts considered for regulatory purposes	200,970,253	154,629,834	-	3,967,902	797,791

* Grossed up of impairment allowances (Expected Credit Loss and profit in suspense) and deferred profit.

5. Asset encumbrance: DIS31

Asset encumbrance: ENC

An asset shall be treated as encumbered if it has been pledged or if it is subject to any form of arrangement to secure, collateralize or credit enhance any transaction from which it cannot be freely withdrawn. The encumbered assets represent balances held as liquidity and cash reserve requirements with the central banks and funds placed with other entities that were pledged for credit support.

31 December 2024	a	b	c (a+b)
	Encumbered assets	Unencumbered assets	Total
Cash and balances with central banks	5,225,856	446,002	5,671,858
Due from banks	-	5,164,680	5,164,680
Financing assets	-	110,039,563	110,039,563
Investment securities	5,318,133	38,449,090	43,767,223
Investment in associates	-	348,274	348,274
Fixed assets	-	1,011,448	1,011,448
Intangible assets	-	1,450,958	1,450,958
Other assets	-	3,639,773	3,639,773
Total	10,543,989	160,549,788	171,093,777

Amounts are carrying values as reported in published financial statements

30 June 2024	a	b	c (a+b)
	Encumbered assets	Unencumbered assets	Total
Cash and balances with central banks	5,156,297	555,565	5,711,862
Due from banks	-	3,163,072	3,163,072
Financing assets	-	108,409,323	108,409,323
Investment securities	3,194,778	35,240,840	38,435,618
Investment in associates	-	328,484	328,484
Fixed assets	-	979,656	979,656
Intangible assets	-	1,507,866	1,507,866
Other assets	-	3,608,831	3,608,831
Total	8,351,075	153,793,637	162,144,712

Amounts are carrying values as reported in published financial statements

6. Remuneration: DIS35

Remuneration policy: **REMA**

a) Bodies that oversee remuneration

For Bank employees & senior management: Board Corporate Governance, Nominations and Remuneration Committee and Qatar Central Bank (for senior management only)

b) Design and structure of remuneration processes (including variable remuneration)

Below is the policy that determines the basis and method of granting incentives and remunerations to the Senior Management and employees of ARB that we present herein for the General Meeting re-endorsement as part of this report noting that no material changes occurred to the policy since last year's report:

1. ARB employee remuneration package is comprised of four primary elements viz. basic salary, allowances, benefits and a performance bonus;
2. The basic salary, allowances and benefits are determined in accordance with market practices to ensure they are fit for purpose, competitive and compliant with regulatory/legal developments;
3. The performance bonus is discretionary and, if merited, is paid on an annual basis in arrears. It considers the long term objectives of the organization, is cognizant of risk and must be purely dependent on the collective and individual performance without any kind of discrimination whatsoever vis-à-vis the race, religion, gender or otherwise;
4. The Performance Bonus, which is calendar based, is calculated with reference to a prescribed methodology based on principles set by the Corporate Governance, Nomination and Remuneration Committee of the Board as advised, when needed, by independent industry experts. The methodology sets 2%-7.5% of net income, depending on the final score achieved bank wise in the balanced scorecard, to be distributed as annual remunerations to the Bank's employees and senior management members. The main principle is a top-down meritocracy-based model where the individual payout is determined by the employees' performance assessment, their departmental contribution and the Bank's achievements during the year. A deferral element is applied to align with risk-based approach;
5. A Balanced Score Card (BSC) approach is utilized to gauge the achievement of the Bank and division. It sets goals and targets that must balance between projected revenues and the risks accompanying the revenues generated while maintaining compliance with internal controls and regulatory requirements;
6. At the start of each year, the Board sets a series of financial and non-financial objectives for the organization which are outlined in a BSC. This forms the driver for department level scorecards, the goals of the GCEO, and each Senior Management member and staff member in the Bank and distills such goals into measurable key performance indicators;
7. The Bank's BSC objectives are carefully tracked and progress reports are periodically submitted to the Board. At year-end the results are subject to verification by internal audit;
8. The audited results, and proposed bonus pool, are presented to the Corporate Governance, Nomination and Remuneration Committee (CGNRC) for consideration and recommendation for Board final approval;

6. Remuneration: DIS35 (continued)

Remuneration policy: **REMA** (continued)

b) Design and structure of remuneration processes (including variable remuneration) (continued)

9. Individual payouts are subject to review and approval of the Department Head, Group Chief HR Officer, GCEO and Chairman as appropriate;
10. The performance bonus for members of Senior Management must be disbursed upon obtaining QCB No Objection only;
11. The Bank's compensation philosophy, scheme design, and absolute outlay shall be evaluated by the Board/CGNRC at each year-end or whenever needed to ensure it remains fit for purpose, competitive and compliant with regulatory/legal developments. The Committee may seek the assistance of an external consultant in this exercise;
12. Senior Management compensations must be disclosed in the audited financial statements; and
13. The policy must be presented on a yearly basis to the Annual General Meeting to be re-confirmed in its current form or to be amended where applicable.

a) Key risks, their measurement and how these measures affect remuneration

As per Board-approved yearly Balanced Score Card

b) Main performance metrics for bank, top-level business lines, and individuals and their link to levels of remuneration

As per Balanced Score Card and Performance Management System

Remuneration awarded during the financial year: **REM1**

Remuneration amount 31 December 2024		<i>a</i>	<i>b</i>
		Senior management	Other material risk-takers*
1	Number of employees	14	17
2	Total fixed remuneration	25,650	15,903
3	Of which: cash-based	25,650	15,903
4	Of which: deferred	-	-
5	Of which: shares or other share-linked instruments	-	-
6	Of which: deferred	-	-
7	Of which: other forms	-	-
8	Of which: deferred	-	-
9	Number of employees	14	17
10	Total variable remuneration	21,205	6,266
11	Of which: cash-based	20,191	6,266
12	Of which: deferred	1,014	-
13	Of which: shares or other share-linked instruments	-	-
14	Of which: deferred	-	-
15	Of which: other forms	-	-
16	Of which: deferred	-	-
17	Total remuneration (rows 2 + 10)	46,855	22,169

* List of employees who are on the approved Succession Plan Program

6. Remuneration: DIS35 (continued)

Deferred remuneration: REM3

	a	b	c	d	e
	Total amount of outstanding deferred remuneration	Of which:	Total amount of amendment during the year due to ex post explicit adjustments	Total amount of amendment during the year due to ex post implicit adjustments	Total amount of deferred remuneration paid out in the financial year
		total amount of outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustment			
Deferred and retained remuneration					
Senior management	13	-	-	-	-
Cash	980	-	-	-	-
Shares	-	-	-	-	-
Cash-linked instruments	-	-	-	-	-
Other	-	-	-	-	-
Other material risk-takers	15	-	-	-	-
Cash	195	-	-	-	-
Shares	-	-	-	-	-
Cash-linked instruments	-	-	-	-	-
Others	-	-	-	-	-

7. Credit risk: DIS40

General qualitative information about credit risk: CRA

Credit Risk

Credit risk is the risk of impairment and partial or total loss of a receivable due to deterioration of credit quality on the part of a client or counterparty. The relevant receivable may be based on traditional on-balance sheet lending or derivative business. In traditional lending business, risk arises from the creditworthiness of the borrower, whereas in derivative business counterparty risk results from the counterpart's failure to perform the transaction in accordance with contractual obligations leading to a potential loss when executing a substitute transaction.

The Board of Directors of AlRayan Bank ("ARB"), and delegated Board sub-committee, has the responsibility to establish an appropriate credit risk philosophy, including risk appetite. A key part of this is the Group Credit Risk Management Policy, which outlines sound principles and practices for management of credit risk and applies to all lending and related activities that involve credit risk.

In order to manage the credit risk in the Group, the main objectives of the Policy are to:

- Create a standardized framework for the lending activities of ARB Group;
- Ensure adequate appraisal prior to lending, and sufficient post-approval monitoring of all granted facilities;
- Outline the acceptance of collateral, and other credit risk mitigation measures;
- Provide information on the risk rating methodology; and
- Outline the process for treating deteriorating creditworthiness, including credit loss recognition and collections

The Credit Risk Policy is supported by Credit Instructions or procedures.

7. Credit risk: DIS40 (continued)

General qualitative information about credit risk: **CRA** (continued)

Credit Risk is identified, monitored, managed and reported on an operational level by the following departments:

- Business originating unit
- Credit Underwriting / Review department (Wholesale Credit, Private & Premium Credit and Retail Credit)
- Credit Administration department (Documentation, Disbursement authorization and Collateral Custody)
- Credit Operations
- Enterprise Risk
- Collections.

Additional disclosure related to the credit quality of assets: **CRB**

Qualitative disclosures:

a) Scope and definitions of past due and impaired exposures

A default would have occurred with regard to a particular obligor when the obligor is past due for more than 90 days on any material credit obligation to the banking group.

- For financing assets with periodic principal instalments and/or profit payments, an amount due and payable is not paid in full within 90 days of the instalment/payment due date.
- For revolving exposures (including overdrafts), amount past due by 90 days or more. Past due will be based on limit expiry. In addition, where a customer has breached the approved limit and the account has not been regularized (i.e. brought within limit) within 90 days, such an account will be considered to be in default.

Any facility having a DPD less than 90 days will be classified either stage 1 or stage 2 as per the IFRS 9 reporting guidelines.

b) The extent of past-due exposures (more than 90 days) that are not considered to be impaired

Based on the customer's credit profile and objective evidence, many accounts have not been credit impaired for the exposures more than 90 DPD. The main reasons for such treatment are:

- a. Account expected to be regularized within the agreed timelines;
- b. Restructuring of the account;
- c. COVID extension granted to the customer; and
- d. Based on the type of collateral and collateral coverage.

Moreover, external auditors review and validate the past due list as part of their quarter end audit program and provide assurance to all stakeholders regarding the classification of the accounts.

7. Credit risk: DIS40 (continued)

Additional disclosure related to the credit quality of assets: **CRB** (continued)

c) Description of methods used for determining impairments

The Bank has adopted FAS 30 – *Impairment, Credit Losses and Onerous Commitments* for the Credit Losses with a forward-looking 'expected credit loss' model. The credit losses approach for receivables and off balance sheet exposures uses a dual measurement approach, under which either the loss allowance is measured by a 12-month expected credit loss or a lifetime expected credit loss. A 12-month ECL is categorized as Stage 1 ECL and lifetime ECL as Stage 2 ECL, which is the ECL accounting provision requirements in general categories.

For specific categories, accounts are classified under Stage 3, which includes financial assets that have objective evidence of impairment at the reporting date in accordance with the indicators specified in the QCB's instructions. For these assets, applicable provision is recognized as per the QCB's specific provision guidelines.

d) The Bank's own definition of a restructured exposure.

Rescheduled activities include extended payment arrangements, approved external management plans, modification and deferral of payments. Restructuring policies and practices are based on indicators or criteria that, in the judgement of local management, indicate that payment will most likely continue. These policies are kept under continuous review. Following restructuring, a previously overdue customer account is reset to a normal status and managed together with other similar accounts as non-impaired.

Quantitative disclosures:

e) Breakdown of exposures by geographical areas, industry and residual maturity

Geographic analysis of credit quality assets: **CRB**

31 December 2024	Qatar	Other GCC	Other Middle East	Others	Total
Balances with central banks	5,279,274	-	-	-	5,279,274
Due from banks	2,293,429	230,586	-	2,640,665	5,164,680
Financing assets	93,937,873	305,650	1,020,382	14,775,658	110,039,563
Investment securities - debt	39,322,664	2,743,684	107,550	752,796	42,926,694
Other assets ¹	284,019	926,759	-	2,168,668	3,379,446
Total	141,117,259	4,206,679	1,127,932	20,337,787	166,789,657

Amounts are carrying values as reported in published financial statements

31 December 2024	Qatar	Other GCC	Other Middle East	Others	Total
Unutilised credit facilities	4,651,071	15,071	-	878,236	5,544,378
Guarantees	7,781,780	89,422	18,036	1,226,717	9,115,955
Letters of credit	311,051	-	-	794,475	1,105,526
Contingent liabilities of a non-Shari'a-compliant subsidiary	17,155	260,370	-	168,635	446,160
Total	12,761,057	364,863	18,036	3,068,063	16,212,019

Amounts are carrying values as reported in published financial statements

7. Credit risk: DIS40 (continued)

Additional disclosure related to the credit quality of assets: **CRB** (continued)

Quantitative disclosures: (continued)

e) Breakdown of exposures by geographical areas, industry and residual maturity (continued)

Industry analysis of credit quality assets: **CRB**

	Net exposure 31 December 2024	Net exposure 31 December 2023
Funded and unfunded		
Government	42,974,421	38,466,075
Government agencies	49,307,535	48,537,410
Industry	1,931,249	2,189,571
Commercial	11,650,027	8,431,722
Services	28,262,769	28,170,850
Contracting	2,006,725	2,215,209
Real estate	18,666,926	23,787,023
Personal	11,990,005	8,139,685
Contingent liabilities	15,765,859	17,267,664
Contingent liabilities of a non-Shari'a-compliant subsidiary	446,160	412,088
Total	183,001,676	177,617,297

Amounts are carrying values as reported in published financial statements

Residual Maturity analysis of credit quality assets: **CRB**

31 December 2024	Less than 1 month	1 to 3 months	3 months -1 year	1-5 years	Over 5 years	Total
Balances with central banks	53,420	-	-	-	5,225,854	5,279,274
Due from banks	4,512,933	2,239	361,802	287,706	-	5,164,680
Financing assets	7,193,167	2,021,476	4,558,730	49,965,631	46,300,559	110,039,563
Investment securities - debt	1,805,454	2,151,598	7,422,583	29,535,845	2,011,214	42,926,694
Other assets	1,159,393	316,041	490,155	1,118,212	295,645	3,379,446
Total	14,724,367	4,491,354	12,833,270	80,907,394	53,833,272	166,789,657

Financing assets exposures by industry and related ECL/Provision: **CRB**

31 December 2024	Financing exposures before CCF and CRM				Total gross amount	Impairment allowances
	Stage 1	Stage 2	Stage 3			
Government	4,962,240	-	-		4,962,240	1,881
Government agencies	47,583,468	1,006,879	-		48,590,347	17,428
Industry	994,776	81,505	127		1,076,408	4,673
Commercial	7,938,556	3,104,893	869,527		11,912,976	339,840
Services	7,684,139	4,523,803	107,470		12,315,412	350,511
Contracting	54,230	1,832,160	1,194,683		3,081,073	1,082,604
Real estate	6,443,146	10,565,106	3,577,302		20,585,554	2,673,073
Personal	9,425,667	2,340,026	503,410		12,269,103	283,540
Total	85,086,222	23,454,372	6,252,519		114,793,113	4,753,550

Amounts are carrying values as reported in published financial statements

7. Credit risk: DIS40 (continued)Additional disclosure related to the credit quality of assets: **CRB** (continued)**e) Breakdown of exposures by geographical areas, industry and residual maturity** (continued)Financing assets exposures by industry and related ECL/Provision: **CRB** (continued)

31 December 2024	Financing exposures before CCF and CRM			Total gross amount	Impairment allowances
	Stage 1	Stage 2	Stage 3		
Qatar	71,011,566	21,697,394	5,838,951	98,547,911	4,610,037
Other GCC	-	380,914	4,913	385,827	80,177
Other Middle East	-	1,038,481	-	1,038,481	18,099
Others	14,074,656	337,583	408,655	14,820,894	45,237
Total	85,086,222	23,454,372	6,252,519	114,793,113	4,753,550

Amounts are carrying values as reported in published financial statements

Additional disclosure related to prudential treatment of problem assets **CRB-A****Qualitative disclosures:****a) Definition of non-performing exposures**

A default occurs when:

- The Bank considers that an obligor is unlikely to repay in full its credit obligations to the banking group, without recourse by the Bank to actions such as realizing security; or
- The obligor is past due for more than 90 days on any material credit obligation to the banking group
- An obligor is rated as MRA 8, 9 and 10 corresponding to the QCB categories of substandard, doubtful and loss.

The default definition is aligned with the Basel definition of default, which is as follows:

"A default is considered to have occurred with regard to a particular obligor when one or more of the following events has taken place.

- It is determined that the obligor is unlikely to pay its debt obligations (principal, profit, or fees) in full;
- A credit loss event associated with any obligation of the obligor, specific provision;
- The obligor is past due more than 90 days on any credit obligation; or
- The obligor has filed for bankruptcy or similar protection from creditors."

7. Credit risk: DIS40 (continued)

Qualitative disclosure related to credit risk mitigation techniques: **CRC**

a) Lending principles

Credit is granted only when it can be reasonably expected that it will be repaid by the borrower as originally agreed. Any lending must be based on:

- A thorough knowledge of the borrower's character, history, willingness, and capacity to repay;
- Full understanding of the credit request and the borrower's sources of repayment;
- A judgement that the borrower can and will repay without undue difficulty.
- Communication of credit culture, philosophy, guidelines, and approach should be continuous
- The credit financing approval process works in a prudent decision-making environment.

In general, the following principles should be adhered to in any granting of credit. Should exceptions be made, these should be disclosed in the credit application documents.

- Every agreement to grant credit must be evidenced in writing.
- ARB will ensure that adequate legal documentation (vetted by Credit Admin. Department in conjunction with the Legal Department) is obtained.
- Credit should only be granted to corporate, commercial, and private borrowers when there are two clear sources of repayment.
- The main source of credit repayment should be cash generated by the borrower's productive, ongoing activities.
- Credit is granted for investment in assets (e.g. business, building etc) only when the borrower has a significant stake in that asset.
- Credit is only granted when the Bank's position as a creditor is as good as or better than that of any other significant creditor.
- Credit that must be structured appropriately for the purpose of the credit and for the source of repayment. Credit mitigation techniques must be used to make the proposed credit bankable and best serve ARB's interests.
- ARB adheres to the basic anti-money laundering procedures such as 'Know Your Customer' before extending any credit facilities.
- ARB will not extend credit to entities whose management's integrity is questionable.
- Social policies are taken into account when making lending decisions:
 - Credit detrimental to the interests of the Group is not granted.
 - Financing for the movement of arms and armaments is severely restricted.
 - No engagement in predatory lending.
 - Credit is not granted for illegal purposes or to businesses or persons whose source of income is illegal.
 - Any transaction where a full and candid disclosure to any regulatory or government agency, or details appearing in the media, would cause reputational damage to the ARB brand is not engaged in.
- Discrimination on the basis of race, national origin, gender, religion, age, marital status, disability or any other factor not relevant to the credit is not permitted.
- Credit is not granted for refinancing of NPFs of other banks.
- The risk/reward relationship must be assessed in each application, whether through customer profitability compared to ECL; RAROC; or alternative performance measures.
- Collateral mitigates risk, but repayment capacity is the most important factor.
- Due diligence must be performed when participating in syndications
- Groups of obligors that are considered connected counterparties should be identified and treated as a single obligor.

7. Credit risk: DIS40 (continued)

Qualitative disclosure related to credit risk mitigation techniques: **CRC** (continued)

b) Collaterals

- Guarantees and collateral should be obtained from clients to mitigate credit risk.
- Personal guarantees of the Principal Partners are to be treated as a secondary source of repayment when financing closely held companies.
- All collaterals must have legally perfected security interest or unencumbered title right.
- Where collateral is a physical asset, the Bank must have unimpaired right to it enabling the Bank, in the event of a default, to take possession and / or dispose-off the asset and use the proceeds to settle outstanding dues. Collateral valuation must therefore consider legal and liquidation costs.
- Where collateral is a financial asset, for example, cash deposits, it must be pledged to ARB.
- All collateral should be obtained, verified and pledged to ARB before facilities are extended to the customer or counterparty unless approved otherwise by delegated authority.
- All collateral must be documented in detail and valued at regular pre-determined intervals. Relationship Managers should review the collateral coverage periodically. If the Bank's collateral cover falls below the prescribed financing to value ratio, Relationship Managers should ensure that the obligor either provides additional collateral or reduces the outstanding amount so that the approved financing to value ratio is maintained at all times.
- Adequate insurance cover must be obtained in favor of the Bank over collateral where required.
- Property insurance must be obtained for all mortgage and real estate financing.
- All insurance cover must be monitored and updated as needed.

When accepting collateral, it is prudent to have the value of collateral in excess of the total facilities so that in a collateral liquidation scenario the Bank recovers outstanding facilities in full. The required excess in value of collateral (also called margin on security) for different types of collateral must comply with QCB and other regulatory regulations as applicable. In general, cross-currency collateral (i.e. where collateral is in a difference currency from the facility) is avoided, however it may occur in rare cases. Where possible, increased collateral should be taken in this case to provide a buffer against unexpected currency movements except in cases where the currencies are fixed to the same reference currency.

Tangible collateral values are to be updated regularly according to the risk of the facility and customer. Collateral such as listed securities are valued fortnightly. Requirements by collateral type must be specified within credit instructions. Waivers or extensions of collateral re-valuation needs to be approved as per the Group Credit Approval Authority policy.

A Real Estate Property Evaluation report to be submitted at the time of a client's annual review. The appropriate committee approval is sought for any exceptions along with the request.

A list of approved collateral valuers is maintained by the Bank. To be listed, a valuator must be approved by EXCOB. Feedback on individual valuers is given on a case-by-case basis by Risk, and a valuator may be de-listed from the approved list if weaknesses such as inaccurate data or incorrect documentation are identified. Credit Risk at its discretion, may ask for a second valuation if it is necessary to assess the accurate value of a collateral.

Collateral information is input and maintained in the system by CROPS (Operations department)

Custodians of collateral are CAD (Risk department).

7. Credit risk: DIS40 (continued)

Qualitative disclosure related to credit risk mitigation techniques: **CRC** (continued)

b) Collaterals (continued)

- Enterprise Risk are responsible for reporting collateral information to the Group Risk Committee to ensure concentrations are identified and, if necessary, mitigated.

c) Support

The following may be accepted as support, provided adequate care is taken to ensure the support is legally enforceable:

- Personal and Corporate Guarantee: Personal Guarantees for Partners of the Limited Liability Company: As per QCB regulations, Banks should obtain the J&S guarantees of all partners (solely and jointly) in all types of companies and the custodians' guarantee of minor partners till they reach adulthood. Exception is only for Joint-Stock companies and any other type of companies exempted by QCB. If the Bank does not want to get such guarantees, justified reasons must be given and notified when studying application of credit facilities.
- Assignment of L/C Receivables (Export L/Cs);
- Assignment of Foreign Remittances to the Obligor Bank;
- Assignment of an expected proceeds being from a contract or rental or from any other source by its issuer and beneficiary. This could also takes place through "transfer of right" registered with the Real Estate Registration Department - Ministry Of Justice.
- Hypothecation/Charge/Chattel mortgage/Commercial mortgage over inventory
- Assignment of Insurance Policies (life or property)
- Post-dated cheques and/or security cheques from corporate banking customers, or large corporate or multinationals
- Salary assignment of customers, business owners, partners or directors/shareholders for Retail facilities
- Non-notarized assignment of general revenues

Any risk not specifically covered by a written support statement will be considered on the basis of the obligor's stand-alone creditworthiness. Documentation with the support provider must make clear that ARB will not assume Nationalization or Expropriation Risks if the obligor provokes governmental action or when governmental action is a discriminatory measure against the specific obligor.

Legal opinion may be sought by Business in the event the credit submission does not meet standard collateral and/or credit documentation requirements.

7. Credit risk: DIS40 (continued)

Qualitative disclosure on banks' use of external credit ratings under the standardised approach for credit risk: **CRD**

a) External credit assessment institutions (ECAIs) and export credit agencies (ECAs) used
S & P, Moody's and Fitch

b) The asset classes for which each ECAI or ECA is used
Corporate Banking, Banks & Sovereign and Debt Securities

c) The alignment of the alphanumerical scale of each agency used with risk buckets

S&P	Moody's	Fitch	Internal Risk Rating	Internal RR	
AAA	Aaa	AAA	1	1	Investment Grades
AA+	Aa1	AA+	2+	2	
AA	Aa2	AA	2	3	
AA-	Aa3	AA-	2-	4	
A+	A1	A+	3+	5	
A	A2	A	3	6	
A-	A3	A-	3-	7	
BBB+	Baa1	BBB+	4+	8	
BBB	Baa2	BBB	4	9	
BBB-	Baa3	BBB-	4-	10	
BB+	Ba1	BB+	5+	11	Sub-Investment Grades
BB	Ba2	BB	5	12	
BB-	Ba3	BB-	5-	13	
B+	B1	B+	6+	14	
B	B2	B	6	15	
B-	B3	B-	6-	16	
CCC+	Caa1	CCC+	7+	17	
CCC	Caa2	CCC	7	18	
CCC-	Caa3	CCC-	7-	19	
D			8	20	
			9	21	DF
			10	22	Loss

SS – Sub Standard DF – Doubtful

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7. Credit risk: DIS40 (continued)

Credit quality of assets: **CR1**

31 December 2024		a	b	c	d	e	f	g
		Defaulted exposures	Non-defaulted exposures	Allowances / impairments	Of which ECL accounting provisions for credit losses on SA exposures Allocated in regulatory category of Specific	Of which ECL accounting provisions for credit losses on SA exposures Allocated in regulatory category of General	Of which ECL accounting provisions for credit losses on IRB exposures	Net values (a+b-c)
1	Financing assets	6,252,519	108,540,594	4,753,550	3,895,279	858,271	-	110,039,563
2	Sukuk and other debt securities	53,142	42,944,317	70,765	53,142	17,623	-	42,926,694
3	Off-balance sheet exposures	24,934	15,746,984	68,066	24,574	43,492	-	15,703,852
4	Total	6,330,595	167,231,895	4,892,381	3,972,995	919,386	-	168,670,109

Amounts are carrying values as reported in published financial statements

30 June 2024		a	b	c	d	e	f	g
		Defaulted exposures	Non-defaulted exposures	Allowances / impairments	Of which ECL accounting provisions for credit losses on SA exposures Allocated in regulatory category of Specific	Of which ECL accounting provisions for credit losses on SA exposures Allocated in regulatory category of General	Of which ECL accounting provisions for credit losses on IRB exposures	Net values (a+b-c)
1	Financing assets	6,640,982	106,660,577	4,892,236	4,113,522	778,714	-	108,409,323
2	Sukuk and other debt securities	53,142	37,827,485	72,519	53,142	19,377	-	37,808,108
3	Off-balance sheet exposures	34,026	16,498,846	72,689	34,123	38,566	-	16,460,183
4	Total	6,728,150	160,986,908	5,037,444	4,200,787	836,657	-	162,677,614

Amounts are carrying values as reported in published financial statements

Changes in the stock of defaulted financing assets and sukuk and other debt securities: **CR2**

	31 December 2024	30 June 2024
1 Defaulted financing assets and sukuk and other debt securities at end of the previous reporting period	6,477,801	6,477,801
2 Loans and debt securities that have defaulted since the last reporting period	147,770	36,559
3 Returned to non-defaulted status	-	-
4 Amounts written off	(689,298)	(5,650)
5 Other changes	369,388	185,414
6 Defaulted financing assets and sukuk and other debt securities at end of the reporting period (1+2-3-4+5)	6,305,661	6,694,124

The movement reflects transitions between defaulted and non-defaulted exposures, as well as write-offs during the period, as shown in the table above.

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7. Credit risk: DIS40 (continued)

Credit risk mitigation techniques - overview: **CR3**

31 December 2024		a	b	c	d	e
		Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Financing assets	79,280,804	30,758,759	5,968,775	24,789,984	-
2	Sukuk and other debt securities	42,926,694	-	-	-	-
3	Total	122,207,498	30,758,759	5,968,775	24,789,984	-
4	Of which defaulted	2,357,240	-	-	-	-

Amounts are carrying values as reported in published financial statements

30 June 2024		a	b	c	d	e
		Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Financing assets	78,747,028	29,662,295	5,521,398	24,140,897	-
2	Sukuk and other debt securities	37,808,108	-	-	-	-
3	Total	116,555,136	29,662,295	5,521,398	24,140,897	-
4	Of which defaulted	2,527,460	-	-	-	-

Amounts are carrying values as reported in published financial statements

Standardised approach - credit risk exposure and CRM effects: **CR4**

31 December 2024		a	b	c	d	e
Asset classes		On-balance sheet amount	Off-balance sheet amount	Net credit exposure	RWA	RWA density
1	Sovereigns	48,158,061	26,100	48,160,671	2,842,450	6%
2	Qatar Government Entities and Domestic Public Sector Entities (PSEs)	28,585,419	750,000	9,501,212	4,750,606	50%
3	Multilateral Development Banks (MDBs)	349,643	-	349,643	33,661	10%
4	Banks	8,248,433	2,358,883	9,564,408	3,180,690	33%
5	Corporates	26,699,339	11,243,699	31,757,671	31,304,083	99%
6	Retail	11,864,172	1,365,307	9,639,246	8,788,388	91%
7	Real estate	38,226,404	-	37,854,567	31,135,792	82%
	<i>Of which: general RRE</i>	<i>12,125,537</i>	<i>-</i>	<i>12,081,244</i>	<i>5,414,160</i>	<i>45%</i>
	<i>Of which: IPRRE</i>	<i>8,693,137</i>	<i>-</i>	<i>8,586,142</i>	<i>4,472,957</i>	<i>52%</i>
	<i>Of which: general CRE</i>	<i>1,448,703</i>	<i>-</i>	<i>1,380,636</i>	<i>828,382</i>	<i>60%</i>
	<i>Of which: IPCRE</i>	<i>5,581,132</i>	<i>-</i>	<i>5,513,964</i>	<i>4,981,423</i>	<i>90%</i>
	<i>Of which: land acquisition, development and construction</i>	<i>10,377,894</i>	<i>-</i>	<i>10,292,580</i>	<i>15,438,870</i>	<i>150%</i>
8	Defaulted Financings	2,380,287	555	2,367,600	1,658,387	70%
9	Equity Investments	391,012	-	391,012	771,597	197%
10	Other assets	5,043,805	-	5,043,805	4,651,221	92%
11	Unrated Sukuk	-	-	-	-	-
12	Securitization and Re-securitization Exposures	-	-	-	-	-
13	Total	169,946,574	15,744,545	154,629,834	89,116,874	58%

7. Credit risk: DIS40 (continued)

Standardised approach - credit risk exposure and CRM effects: **CR4** (continued)

30 June 2024		<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>
		Exposures before CCF and CRM	Exposures post - CCF and post-CRM	RWA and RWA density		
Asset classes	On-balance sheet amount	Off-balance sheet amount	Net credit exposure	RWA	RWA density	
1	Sovereigns	42,127,373	-	42,127,373	1,370,591	3%
2	Qatar Government Entities and Domestic Public Sector Entities (PSEs)	34,254,925	205,181	14,550,158	7,275,079	50%
3	Multilateral Development Banks (MDBs)	457,811	-	457,811	-	0%
4	Banks	5,697,750	2,628,062	7,098,504	2,415,635	34%
5	Corporates	23,189,548	12,164,395	27,428,633	26,653,557	97%
6	Retail	10,580,684	1,381,403	10,002,162	9,185,551	92%
7	Real estate	36,757,436	114,851	36,393,633	32,743,968	90%
	<i>Of which: general RRE</i>	11,133,404	-	11,101,213	5,551,948	50%
	<i>Of which: IPRRE</i>	7,674,158	-	7,608,092	4,693,246	62%
	<i>Of which: general CRE</i>	1,253,111	-	1,244,630	746,778	60%
	<i>Of which: IPCRE</i>	4,454,475	-	4,315,235	3,565,302	83%
	<i>Of which: land acquisition, development and construction</i>	12,242,289	114,851	12,124,463	18,186,694	150%
8	Defaulted Financings	2,536,378	31,116	2,549,200	2,402,474	94%
9	Equity Investments	449,987	-	449,987	872,165	194%
10	Other assets	5,075,372	-	5,075,372	4,588,487	90%
11	Unrated Sukuk	-	-	-	-	-
12	Securitization and Re-securitization Exposures	-	-	-	-	-
13	Total	161,127,265	16,525,009	146,132,833	87,507,508	60%

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7. Credit risk: DIS40 (continued)

Standardised approach - Exposures by asset classes and risk weights: CR5

31 December 2024		R i s k W e i g h t								Total credit exposures amount (post CCF and post-CRM)
Asset classes ↓	Risk weight →	0%	10% to 30%	35% to 50%	60% to 80%	85% to 100%	105% to 130%	150%	250% to 400%	
1	Sovereigns	45,303,512	91,226	-	-	2,649,389	-	116,544	-	48,160,671
2	Qatar Government Entities and Domestic Public Sector Entities (PSEs)	-	-	9,501,212	-	-	-	-	-	9,501,212
3	Multilateral Development Banks (MDBs)	181,337	168,306	-	-	-	-	-	-	349,643
4	Banks	-	8,528,836	23,796	-	910,508	-	101,268	-	9,564,408
5	Corporates	-	37,532	906,567	245,785	30,335,082	-	232,704	-	31,757,671
6	Retail	-	-	-	3,403,433	6,235,813	-	-	-	9,639,246
7	Real estate	-	8,163,866	5,083,303	9,633,041	1,232,065	3,449,711	10,292,580	-	37,854,567
	<i>Of which: general RRE</i>	-	6,561,757	68,328	5,451,160	-	-	-	-	12,081,244
	<i>Of which: IPRRE</i>	-	1,602,109	5,014,975	707,434	-	1,261,623	-	-	8,586,142
	<i>Of which: general CRE</i>	-	-	-	1,380,636	-	-	-	-	1,380,636
	<i>Of which: IPCRE</i>	-	-	-	2,093,811	1,232,065	2,188,088	-	-	5,513,964
	<i>Of which: land acquisition, development and construction</i>	-	-	-	-	-	-	10,292,580	-	10,292,580
8	Defaulted Financings	-	-	1,761,428	-	263,169	-	343,002	-	2,367,600
9	Equity Investments	-	-	-	-	124,049	-	58,258	208,705	391,012
10	Other assets	392,584	-	-	-	4,651,221	-	-	-	5,043,805
11	Unrated Sukuk	-	-	-	-	-	-	-	-	-
12	Securitization and Re-securitization Exposures	-	-	-	-	-	-	-	-	-
13	Total	45,877,433	16,989,767	17,276,306	13,282,259	46,401,297	3,449,711	11,144,357	208,705	154,629,834

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7. Credit risk: DIS40 (continued)

Standardised approach - Exposures by asset classes and risk weights: **CR5** (continued)

30 June 2024		R i s k W e i g h t								Total credit exposures amount (post CCF and post-CRM)
Asset classes ↓	Risk weight →	0%	10% to 30%	35% to 50%	60% to 80%	85% to 100%	105% to 130%	150%	250%	
1	Sovereigns	40,624,121	238,008	-	-	1,149,754	-	115,490	-	42,127,373
2	Qatar Government Entities and Domestic Public Sector Entities (PSEs)	-	-	14,550,158	-	-	-	-	-	14,550,158
3	Multilateral Development Banks (MDBs)	457,811	-	-	-	-	-	-	-	457,811
4	Banks	-	6,412,645	42,007	-	559,607	-	84,246	-	7,098,504
5	Corporates	-	167,308	555,265	1,504,843	25,154,613	-	46,603	-	27,428,633
6	Retail	-	-	-	3,266,443	6,735,719	-	-	-	10,002,162
7	Real estate	-	5,663,672	4,362,424	10,245,618	339,082	3,658,374	12,124,463	-	36,393,633
	<i>Of which: general RRE</i>	-	4,810,216	102,394	6,188,604	-	-	-	-	11,101,213
	<i>Of which: IPRRE</i>	-	853,456	4,260,030	28,284	-	2,466,322	-	-	7,608,092
	<i>Of which: general CRE</i>	-	-	-	1,244,630	-	-	-	-	1,244,630
	<i>Of which: IPCRE</i>	-	-	-	2,784,101	339,082	1,192,052	-	-	4,315,235
	<i>Of which: land acquisition, development and construction</i>	-	-	-	-	-	-	12,124,463	-	12,124,463
8	Defaulted Financings	-	-	293,451	-	2,255,749	-	-	-	2,549,200
9	Equity Investments	-	-	-	-	-	121,503	76,623	251,861	449,987
10	Other assets	486,885	-	-	-	4,588,487	-	-	-	5,075,372
11	Unrated Sukuk	-	-	-	-	-	-	-	-	-
12	Securitization and Re-securitization Exposures	-	-	-	-	-	-	-	-	-
13	Total	41,568,817	12,481,633	19,803,304	15,016,904	40,783,011	3,779,877	12,447,425	251,861	146,132,833

8. Counterparty Credit Risk: DIS42

Qualitative disclosure related to counterparty credit risk: **CCRA**

a) Counterparty Credit Risk

Counterparty credit risk (CCR) is the risk that the Bank's counterparty to a derivative transaction could default before the settlement date, thereby prematurely ending the contract. A loss will incur if the transaction has a positive economic value at the time of counterparty default. The Bank manages CCR through a combination of risk mitigation techniques, including collateral management, credit risk management and exposure limits.

b) Collateral Management

Collateral is taken to secure transactions and reduce the CCR. The Bank's collateral management process includes the valuation of collateral, monitoring of collaterals, and taking appropriate action in the event of collateral deterioration.

c) Credit Risk Management and Exposure Limits

The approval of credit limits and exposures to counterparties are subject to the Bank's prevailing underwriting standards and credit policies. Similar to other credit applications, counterparties are assigned the appropriate risk ratings and the applications are subject to independent credit assessments.

The Bank actively monitors and manages the limits to ensure compliance to internal and regulatory requirements on single largest counterparty. The Bank also takes the necessary actions and reports on counterparties experiencing issues with excess management and settlement failure.

d) Counterparty Credit Risk Capital Calculation

For regulatory capital charge purposes of Over the Counter (OTC) Islamic derivatives, the Group calculates pre-settlement capital adequacy requirement using following counterparty credit risk measures:

- Standardized Approach to Counterparty Credit Risk Capital Calculation (SA-CCR)
- Standardized Credit Valuation Adjustment Capital Charge (CVA) - In accordance with QCB circular 33/2022, the Bank has applied the alternative treatment and has set its CVA capital requirement equal to 100% of the Bank's capital requirement for counterparty credit risk.

e) Wrong Way Risk (WWR)

Wrong Way Risk (WWR) occurs when credit exposure to a counterparty is negatively correlated with the credit quality of that counterparty. This may be either due to the nature of the transaction itself (specific WWR) or to the market / macroeconomic factors that may affect the transaction or the counterparty or the counterparty sector in an unfavorable way (general WWR). WWR is identified and estimated to monitor CCR exposures.

f) Impact of the Group's Rating downgrade on Collateral

The liquidity impact of a downgrade on collateral management from the Group's perspective is not material as the collateral agreements are generally not linked to Group's rating.

8. Counterparty Credit Risk: DIS42 (continued)

Analysis of CCR exposures by approach: **CCR1**

31 December 2024		a	b	c	d	e	f
		Replacement cost	Potential future exposure	Effective EPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR (for derivatives)	334,537	118,241		1.4	633,889	368,535
2	Standardised approach (for SFTs)	345,089				3,334,013	531,826
3	Simple Approach for credit risk mitigation (for SFTs)					-	-
4	Comprehensive Approach for credit risk mitigation (for SFTs)					-	-
5	Value-at-risk (VaR) for SFTs					-	-
6	Total					3,967,902	900,361

30 June 2024		a	b	c	d	e	f
		Replacement cost	Potential future exposure	Effective EPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR (for derivatives)	242,898	237,302		1.4	672,280	282,626
2	Standardised approach (for SFTs)	266,078				1,835,016	367,003
3	Simple Approach for credit risk mitigation (for SFTs)					-	-
4	Comprehensive Approach for credit risk mitigation (for SFTs)					-	-
5	Value-at-risk (VaR) for SFTs					-	-
6	Total					2,507,296	649,629

8. Counterparty Credit Risk: DIS42 (continued)

Standardised approach - CCR exposures by regulatory portfolio and risk weights: **CCR3**

31 December 2024	a	b	c	d	e	f	g	h	i
Risk weight →	0%	10%	20%	30%	50%	100%	150%	Others	Total credit exposure
Regulatory portfolio ↓									
Sovereigns	-	-	-	-	-	-	-	-	-
Qatar Government Entities and Domestic Public Sector Entities (PSEs)	-	-	-	-	-	-	-	-	-
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-	-	-
Banks	-	-	3,347,683	84,325	386,704	145,435	-	-	3,964,147
Corporates	-	-	2,246	-	484	1,025	-	-	3,755
Retail	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total	-	-	3,349,929	84,325	387,188	146,460	-	-	3,967,902

30 June 2024	a	b	c	d	e	f	g	h	i
Risk weight →	0%	10%	20%	30%	50%	100%	150%	Others	Total credit exposure
Regulatory portfolio ↓									
Sovereigns	-	-	-	-	-	-	-	-	-
Qatar Government Entities and Domestic Public Sector Entities (PSEs)	-	-	-	-	-	-	-	-	-
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-	-	-
Banks	-	-	2,094,613	191,990	-	65,625	-	-	2,352,228
Corporates	-	-	16,001	45,551	5,795	87,721	-	-	155,068
Retail	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total	-	-	2,110,614	237,541	5,795	153,346	-	-	2,507,296

8. Counterparty Credit Risk: DIS42 (continued)

Composition of collateral for CCR exposure: **CCR5**

31 December 2024	a		b		c		d		e		f	
	Collateral used in derivative transactions						Collateral used in SFTs					
	Fair value of collateral received				Fair value of posted collateral				Fair value of collateral received		Fair value of posted collateral	
	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
Cash – domestic currency	-	-	-	-	-	-	-	-	-	-	-	-
Cash – other currencies	-	60,651	-	-	-	-	361,367	-	4,845,270	-	-	-
Domestic sovereign debt	-	-	-	-	-	-	-	-	-	-	969,648	-
Other sovereign debt	-	-	-	-	-	-	-	-	-	-	848,253	-
Government agency debt	-	-	-	-	-	-	-	-	-	-	-	-
Corporate and other debt	-	-	-	-	-	-	-	-	-	-	3,489,903	-
Equity securities	-	-	-	-	-	-	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	60,651	-	-	-	-	361,367	-	4,845,270	-	-	5,307,804

30 June 2024	a		b		c		d		e		f	
	Collateral used in derivative transactions						Collateral used in SFTs					
	Fair value of collateral received				Fair value of posted collateral				Fair value of collateral received		Fair value of posted collateral	
	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
Cash – domestic currency	-	-	-	-	-	-	-	-	-	-	-	-
Cash – other currencies	-	-	-	-	-	-	439,780	-	2,852,611	-	-	-
Domestic sovereign debt	-	-	-	-	-	-	-	-	-	-	965,953	-
Other sovereign debt	-	-	-	-	-	-	-	-	-	-	477,771	-
Government agency debt	-	-	-	-	-	-	-	-	-	-	-	-
Corporate and other sukuk	-	-	-	-	-	-	-	-	-	-	1,755,396	-
Equity securities	-	-	-	-	-	-	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	439,780	-	2,852,611	-	-	3,199,119

Exposures to central counterparties: **CCR8**

	EAD (post-CRM)		RWA	
	31 December 2024	30 June 2024	31 December 2024	30 June 2024
1 Exposures to QCCPs (total)	-	-	-	-
2 Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-	-	-
3 (i) OTC derivatives	-	-	-	-
4 (ii) Exchange-traded derivatives	-	-	-	-
5 (iii) Securities financing transactions	-	-	-	-
6 Exposures to non-QCCPs (total)	3,967,902	2,507,296	900,361	649,629
7 Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	3,967,902	2,507,296	900,361	649,629
8 (i) OTC derivatives	633,889	672,280	368,535	282,626
9 (ii) Exchange-traded derivatives	-	-	-	-
10 (iii) Securities financing transactions	3,334,013	1,835,016	531,826	367,003

9. Market risk: DIS50

General qualitative disclosure requirements related to market risk: **MRA**

a) Strategies and processes

The fundamental principle of the Group Market Risk Management Policy is to ensure that the Bank is not exposed to unacceptable losses outside the risk appetite. To achieve it, the Market and Liquidity Risk Department works closely with risk takers ("the business units") and other control and support functions.

Market Risk Measurement:

The below measurements will serve as a basis for the market risk management and limit framework of the Bank:

- Product Valuation
- Sensitivity Analysis
- Earnings at Risk (EAR)
- PRRBB (Profit Rate Risk in the Banking Book)

The Bank designates certain derivatives held for risk management purpose as hedging instruments in qualifying Tahawwut (hedging) relationships. The Bank accounts for Tahawwut (hedging) relationship when certain conditions are met (documentation of hedging relationship, effectiveness of the hedge, hedge assessment, etc.).

b) Structure and organization of the market risk management function

The Bank's method for handling the market risk is in line with the Qatar Central Bank's directions and the Basel Principles, while using the expertise of experienced staff and experts with international competencies.

In order to solve and mitigate these risks in general, the Bank diversifies its activities in various countries, sectors, products, and customer segments, and takes proactive steps to manage these risks.

The relevant employees monitor a set of market-related risks, such as foreign exchange risks, profit rates risks, pricing risks, asset liquidity risks, and general investments risks. MAR issues internal reports on a daily, weekly, and monthly basis to the Management in order to assist in taking proper decisions and monitor market risks as required.

The Board assume the ultimate responsibility of ensuring the Bank's exposure to market risk is acceptable in both normal operations and stress events.

Senior management has the primary responsibility for the management of market risk; GALCCO has the operational responsibilities for execution of the policy.

9. Market risk: DIS50 *(continued)*General qualitative disclosure requirements related to market risk: **MRA** *(continued)***c) Scope and nature of risk reporting and/or measurement systems.**

Market risk reports are prepared on regular basis, and cover foreign exchange risk and profit rate risk analysis. Any breach in market risk limits will be reported to GALCCO within the GALCCO Pack, and to the Board CRC (Compliance and risk committee), within the key risk indicators (KRI's) report.

Market risk under the standardised approach: **MR1**

	Capital requirement in standardised approach 31 December 2024	Capital requirement in standardised approach 30 June 2024
1 General profit rate risk	15,148	6,289
2 Equity risk	298,466	221,090
3 Commodity risk	-	-
4 Foreign exchange risk	3,185	3,078
5 Credit spread risk – non-securitisations	-	-
6 Credit spread risk – securitisations (non-correlation trading portfolio)	-	-
7 Credit spread risk – securitisation (correlation trading portfolio)	-	-
8 Default risk – non-securitisations	-	-
9 Default risk – securitisations (non-correlation trading portfolio)	-	-
10 Default risk – securitisations (correlation trading portfolio)	-	-
11 Residual risk add-on	-	-
12 Total	316,799	230,456

10. Operational risk: DIS60

General qualitative information on a bank's operational risk framework: **ORA**

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, human behaviour, systems or from external events and other risks having an operational risk impact which includes but is not limited to fraud risk, legal risk, and regulatory risk. The Group seeks to minimise actual or potential losses from operational risk failure through a framework of policies and procedures that identify, assess, control, manage and report those risks. Operational risks are managed at Group level through a Board approved operational risk management framework in accordance with QCB instructions and Basel III guidelines. This Operational Risk Management Framework layout the foundation for the following:

- Highlights the Group's commitment to improve its capability to manage risks.
- Defines the Group's overall strategy and approach to risk and risk management.
- Establish the Group's risk language and risk appetite.
- Articulates clearly defined roles and responsibilities of the Board, management committees, business unit heads and employees.

a) Risk Governance

The responsibility for the overall risk management framework lies with the Board of Directors. The Board is responsible for setting the Group's strategy and risk appetite, ensuring risk management is appropriate and functioning. To enable the Board to carry out its objectives, it has delegated authority for risk management activities, as well as governance and oversight of those activities, to a number of Board and executive management level risk committees.

In evaluating and responding to risk, the Operational Risk unit operates a three line of defense model. The first line of defense starts with business and support units who are responsible for managing operational risks within their respective functional areas. They operate within the Bank's operational risk management framework and ensure that risk is being pro-actively identified, monitored, reported and managed within their scope of work. Operational risk and compliance departments acts as second line of defense in providing risk management expertise, and challenges managers and staff in their performance of risk management activities through independent reviews, monitoring and testing. While internal and shari'a audit serves as third line of defense responsible for independently reviewing the effectiveness of the risk management structure and internal controls through periodic audits.

Risk Management

The Operational Risk unit follows a five-step phase in managing risk consisting of risk planning, risk identification, risk assessment, risk mitigation and risk monitoring. Risk planning involves understanding the objectives of management and each business unit and designs risk management approach in order to address risks properly. Following risk planning, risks are identified through various methods such as risk workshops, incident reporting, policy review, risk indicators, risk control and self-assessment, internal control testing, findings from auditors, customer complaints and documents the risks that could keep the Group from reaching its objectives.

10. Operational risk: DIS60 (continued)

General qualitative information on a bank's operational risk framework: **ORA** (continued)

a) Risk Governance (continued)

Risk Management (continued)

When identifying risks, the risks are classified based on Basel III categories, are further analysed for root cause and reported in the key risk indicators. Risks are evaluated and assessed by determining the criticality of each risks according to its likelihood (the extent on how likely the risk will happen) and impact. These risks are reduced to an acceptably low level by designing responses for each. This consists of defining the controls for those risks that we have identified, seeking to reduce the likelihood of their occurrence or at least reduce the impacts they may cause. Through the risk monitoring phase of the operational risk management process, the current risk level and the effectiveness of the risk management functions are monitored. Operational Risk department maintains a risk register that lists all level three risks that may impact the objectives of the Bank.

Risk indicators, both qualitative and quantitative, as well as limits, are established to best monitor the operational risks through the business lines. For facilitating effective operational risk management, the Group utilizes a comprehensive operational risk management software consisting of several modules such as incident management, risk indicators, risk and control self-assessment, action plan tracker and business impact analysis. The risk management software enables the Bank to build best practice by creating structured and automated risk management process, provide better management of risks and loss incidents, automate task deadline control and escalation process, deliver better reporting facility, comply with Basel III requirements and maintain comprehensive documentation of risks.

The Group has also recognized the need for having robust insurance policies to transfer the unacceptable risks associated to the Bank's services such as but not limited to infidelity, forgery & alterations, premises, cybercrime, third party liability and damage to property.

Other risk functions, methodologies and tools like fraud unit, business resilience and continuity management program, cybersecurity and vendor risk assessments are also implemented by the Group to support the Operational Risk unit in risk management.

b) Risk Reporting

In accordance with Qatar Central Bank's instructions, the Bank has adopted the standardized approach to compute capital charge for Operational Risk.

Based on the monitoring and metrics used for each risk category defined in the risk appetite policy, the Operational Risk unit reports key risk indicators to the Group Risk Committee (GRC) on a monthly basis and to the Board through Group Compliance and Risk Committee (CRC) on quarterly basis.

10. Operational risk: DIS60 (continued)

Historical losses: **OR1**

	a	b	c	d	e	f	g	h	i	j	k	
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	Ten-year average	
Using €20,000 (QAR 80,000 equivalent) threshold												
1	Total amount of operational losses net of recoveries (no exclusions)	214	330	223	129	-	92	272	-	-	491	175
2	Total number of operational risk losses	2	2	1	1	-	1	1	-	-	3	2
3	Total amount of excluded operational risk losses	-	-	-	-	-	-	-	-	-	-	-
4	Total number of exclusions	-	-	-	-	-	-	-	-	-	-	-
5	Total amount of operational losses net of recoveries and net of excluded losses	214	330	223	129	-	92	272	-	-	491	175
Using €100,000 (QAR 400,000 equivalent) threshold												
6	Total amount of operational losses net of recoveries (no exclusions)	-	-	1,170	-	-	-	-	-	-	-	117
7	Total number of operational risk losses	-	-	1	-	-	-	-	-	-	-	1
8	Total amount of excluded operational risk losses	-	-	-	-	-	-	-	-	-	-	-
9	Total number of exclusions	-	-	-	-	-	-	-	-	-	-	-
10	Total amount of operational losses net of recoveries and net of excluded losses	-	-	1,170	-	-	-	-	-	-	-	117
Details of operational risk capital calculation												
11	Are losses used to calculate the ILM (yes/no)?	No										
12	If "no" in row 11, is the exclusion of internal loss data due to non-compliance with the minimum loss data standards (yes/no)?	No										
13	Loss event threshold: €20,000 or €100,000 for the operational risk capital calculation if applicable	Not applicable.										

10. Operational risk: DIS60 (continued)

Business Indicator and subcomponents: **OR2**

BI and its subcomponents	T	T-1	T-2	Average
	31 December 2024	31 December 2023	31 December 2022	
1 Profit, Ijarah instalments and dividend component (PDIC)				3,034,965
1a Profit earned	9,118,784	8,728,420	6,521,378	8,122,861
1b Profit paid	6,389,149	5,998,389	2,912,086	5,099,875
1c Profit-earning assets	170,557,370	166,201,889	168,862,180	168,540,479
1d Dividend income	16,158	10,809	8,969	11,979
2 Services component (SC)				517,341
2a Fee and commission income	425,326	440,369	435,530	433,742
2b Fee and commission expense	126,496	9,779	3,341	46,539
2c Other operating income	91,283	87,152	18,985	65,807
2d Other operating expense	81,087	66,540	103,172	83,600
3 Financial component (FC)				132,986
3a Net P&L on the trading book	62,234	50,856	27,202	132,986
3b Net P&L on the banking book	189,612	197,115	270,894	
4 BI				3,685,291
5 Business indicator component (BIC)				442,235

Minimum required operational risk capital: **OR3**

1 Business indicator component (BIC)	442,235
2 Internal loss multiplier (ILM)	1
3 Minimum required operational risk capital (ORC)	442,235
4 Operational risk RWA	5,527,937

11. Profit rate risk in the banking book (PRRBB): DIS70

PRRBB risk management objective and policies: PRRBBA

Qualitative disclosures:

a) Definition of PRRBB for purposes of risk control and measurement

- PRRBB refers to the current or prospective risk to the Group's capital and to its earnings, arising from the impact of adverse movements in profit rates on its banking book.
- Excessive PRRBB can pose a significant threat to a bank's current capital base and/or future earnings, if not managed appropriately.
- Changes in profit rates can affect the underlying economic value of the Bank's assets, liabilities, because the present value of future cash flows (and, in many cases, the amounts of cash flows themselves) change when profit rates change. Changes in profit rates also affect a bank's earnings by increasing or decreasing its net profit income.
- The main driver of PRRBB is a change in market profit rates, both current and expected, as expressed by changes to the shape, slope and level of a range of different yield curves that incorporate some or all of the components of profit rates.

b) Bank's overall PRRBB management and mitigation strategies

The Group calculates PRRBB capital requirements under two different approaches: Economic Value of Equity ("EVE") and Net Profit Margin ("NPM"). The Group established limits in the risk appetite statement; breaches will be escalated to the Group Risk Committee within the ICAAP report.

GALCCO monitors the PRRBB on monthly basis by reviewing over 5 years profit rate gap to take the proper actions using on-balance sheet or off-Balance sheet hedging.

c) Calculation of the Bank's PRRBB measures and the specific measures that used to gauge sensitivity to PRRBB

The Bank annually updates the Earning Based Approach ("EBA") and Economic Value of Equity ("EVE"). Under these approaches, the Bank applies six profit rate shock scenarios to capture parallel and non-parallel gap risks for EVE and two profit rate shock scenarios for EBA. These scenarios are applied to PRRBB exposures in each currency for which the Bank has material positions.

d) Profit rate shock and stress scenarios used to estimate changes in the economic value and in earnings

The Bank applies six profit rate shock scenarios to capture parallel and non-parallel gap risks for EVE and two profit rate shock scenarios for EBA. These scenarios are applied to PRRBB exposures in each currency for which the Bank has material positions.

e) Hedging of PRRBB and associated accounting treatment

The Bank enters in profit rate derivatives for risk management purposes, and designates those derivatives under hedge accounting, upon fulfilment of specific conditions. These hedging relationships can be classified as Cash Flow Hedges or Fair Value Hedges, depending on whether hedged risk is the cash flow variability or change in the fair value of an asset or liability.

11. Profit rate risk in the banking book (PRRBB): DIS70 (continued)

PRRBB risk management objective and policies: **PRRBA** (continued)

f) Key modeling and parametric assumptions used in calculating Δ EVE and Δ NII in PRRBB template

The Bank allocates the non-maturing customer deposits ("NMD") in the different Re-Pricing buckets based on behavioral analysis, and as per the limits within the QCB circular.

Quantitative disclosures:

g) Average re-pricing maturity assigned to non-maturity deposits (NMDs)

4 years

h) Longest re-pricing maturity assigned to NMDs

5 Years for the transactional core deposits as per the QCB circular

Quantitative information on PRRBB: **PRRBB1**

Period	Δ EVE		Δ NII	
	31 December 2024	31 December 2023	31 December 2023	31 December 2023
Parallel up	(1,743,888)	(1,665,607)	(352,571)	(511,251)
Parallel down	(726,231)	(106,382)	(538,127)	(603,819)
Steepened	(568,711)	(911,124)		
Flattener	-	-		
Short rate up	(711,061)	(382,656)		
Short rate down	(583,445)	(220,997)		
Maximum	(1,743,888)	(1,665,607)	(538,127)	(603,819)
Period	31 December 2024		31 December 2023	
Tier 1 capital	22,858,112		22,263,127	

12. Leverage ratio: DIS80

Summary comparison of accounting assets vs leverage ratio exposure measure: **LR1**

	T	T-1	T-2	T-3	T-4
	31 December 2024	30 September 2024	30 June 2024	31 March 2024	31 December 2023
1 Total consolidated assets as per published financial statements	171,093,777	165,760,762	162,144,712	159,376,257	164,199,535
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-	-	-	-	-
3 Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-	-	-	-	-
4 Adjustments for temporary exemption of central bank reserves (if applicable)	-	-	-	-	-
5 Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	(1,450,958)	(1,479,412)	(1,507,866)	(1,536,320)	(1,564,774)
6 Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-	-	-	-	-
7 Adjustments for eligible cash pooling transactions	-	-	-	-	-
8 Adjustments for derivative financial instruments	710,947	259,073	231,547	191,320	193,490
9 Adjustment for securities financing transactions (ie repurchase agreements and similar secured lending)	340,182	3,604,111	3,335,546	3,933,370	2,985,991
10 Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	9,368,247	10,182,050	9,563,954	10,672,665	8,066,495
11 Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-	-	-	-	-
12 Other adjustments	-	-	-	-	-
13 Leverage ratio exposure measure	180,062,195	178,326,585	173,767,893	172,637,292	173,880,736

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

Basel Pillar 3 Disclosures

31 December 2024

(All amounts are shown in thousands of Qatari Riyals)



12. Leverage ratio: DIS80 (continued)

Leverage ratio common disclosure template: **LR2**

	T	T-1	T-2	T-3	T-4	
	31 December 2024	30 September 2024	30 June 2024	31 March 2024	31 December 2023	
On-balance sheet exposures						
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	165,459,972	165,341,624	161,638,753	158,658,431	163,481,709
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	-	-	-	-	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-	-	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-	-	-	-
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)	-	-	-	-	-
6	(Asset amounts deducted in determining Tier 1 capital and regulatory adjustments)	(1,450,958)	(1,479,412)	(1,507,866)	(1,536,320)	(1,564,774)
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	164,009,014	163,862,212	160,130,887	157,122,111	161,916,935
Derivative exposures						
8	Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin, with bilateral netting and/or the specific treatment for client cleared derivatives)	679,626	419,138	505,959	685,054	717,826
9	Add-on amounts for potential future exposure associated with <i>all</i> derivatives transactions	463,067	259,073	231,547	224,092	193,490
9a	Deductions of receivables assets for cash variation margin provided in derivatives transactions	(60,651)	-	-	-	-
10	(Exempted central counterparty (CCP) leg of client-cleared trade exposures)	-	-	-	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-	-	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-	-	-	-
13	Total derivative exposures (sum of rows 8 to 12)	1,082,042	678,211	737,506	909,146	911,316
Securities financing transaction exposures						
14	Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions	5,262,710	3,279,425	3,162,368	3,633,026	2,686,548

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12. Leverage ratio: DIS80 (continued)

Leverage ratio common disclosure template: **LR2** (continued)

	T	T-1	T-2	T-3	T-4
	31 December 2024	30 September 2024	30 June 2024	31 March 2024	31 December 2023
15 (Netted amounts of cash payables and cash receivables of gross SFT assets)	(191,644)	(133,518)	(193,826)	(186,993)	(187,894)
16 Counterparty credit risk exposure for SFT assets	531,826	458,204	367,003	487,337	487,337
17 Agent transaction exposures	-	-	-	-	-
18 Total securities financing transaction exposures (sum of rows 14 to 17)	5,602,892	3,604,111	3,335,546	3,933,370	2,985,991
Other off-balance sheet exposures					
19 Off-balance sheet exposure at gross notional amount	15,837,284	17,575,069	16,578,696	17,825,586	12,395,471
20 (Adjustments for conversion to credit equivalent amounts)	(6,469,037)	(7,393,018)	(7,014,742)	(7,152,921)	(4,328,976)
21 (Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-	-	-	-
22 Off-balance sheet items (sum of rows 19 to 21)	9,368,247	10,182,050	9,563,954	10,672,665	8,066,495
Capital and total exposures					
23 Tier 1 capital	22,858,112	22,365,049	22,260,913	22,214,112	22,263,127
24 Total exposures (sum of rows 7, 13, 18 and 22)	180,062,195	178,326,585	173,767,893	172,637,292	173,880,736
Leverage ratio					
25 Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	12.7%	12.5%	12.8%	12.9%	12.8%
25a Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	12.7%	12.5%	12.8%	12.9%	12.8%
26 National minimum leverage ratio requirement	3.0%	3.0%	3.0%	3.0%	3.0%
27 Applicable leverage buffers	-	-	-	-	-
Disclosure of mean values					
28 Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	-	-	-	-

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12. Leverage ratio: DIS80 (continued)

Leverage ratio common disclosure template: **LR2** (continued)

	T	T-1	T-2	T-3	T-4
	31 December 2024	30 September 2024	30 June 2024	31 March 2024	31 December 2023
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables				
	-	-	-	-	-
30	Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)				
	180,062,195	178,326,585	173,767,893	172,637,292	173,880,736
30a	Total exposures (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)				
	180,062,195	178,326,585	173,767,893	172,637,292	173,880,736
31	Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)				
	12.7%	12.5%	12.8%	12.9%	12.8%
31a	Basel III leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)				
	12.7%	12.5%	12.8%	12.9%	12.8%

13. Liquidity: DIS85

Liquidity risk management: **LIQA**

Qualitative disclosures:

a) Governance of liquidity risk management

The fundamental principle of the Group Liquidity Risk Management Policy is to ensure that the Bank is not exposed to unacceptable losses outside the risk appetite. To achieve it, the Market and Liquidity Risk Department works closely with risk takers ("the business units") and other control and support functions.

The Board assumes the ultimate responsibility of ensuring the Bank's liquidity is adequate in both normal operations and stress events, while Group Assets, Liabilities and Capital Committee (GALCCO) has the operational responsibilities for execution of the policy.

- The Bank defines liquidity risk appetite as the overall tolerance for unmitigated funding liquidity risk and its impact on the Bank's profitability and stakeholders.
- The Bank's liquidity risk appetite statement considers QCB requirements, internal constraints set by management, other external factors (such as rating agencies), in addition to key shareholders' liquidity management objectives.
- Any breach in liquidity risk limits will be reported monthly to GALCCO, and to the Board CRC (Compliance and risk committee), within the key risk indicators (KRI's) report.

b) Funding strategy

- The Bank's medium term strategy is focused on strong corporate banking franchise, a leading role in treasury and fixed income, superior premium banking, exclusive private banking, and trade flow access to emerging markets.
- The Bank diversifies its available funding sources in the short, medium and long term, as part of its funding strategy.
- The Bank maintains market access to the funding markets, in order to achieve effective diversification of funding sources.
- Funding concentration analysis addresses diversification by funding sources, tenor and type;
- Funding concentration ratios and limits calculated and analyzed in light of the nature of relationship between the Bank, its shareholders and strategic partners.
- The bank monitors funding from significant counterparty, and funding from single geographical location on monthly basis.

c) Liquidity risk mitigation techniques

Liquidity risk is mitigated by proper management of the cash flow, and by holding High quality liquid assets that the Bank can convert fast to cash when needed. The Bank updates the liquidity contingency funding plan and recovery plan annually. The Bank semiannually conducts liquidity stress testing , these tests aim to ensure that the Bank will continue to have sufficient liquidity resources to face the potential funding withdrawal in case the worst scenario occurs among these scenarios.

13. Liquidity: DIS85 (continued)

Liquidity risk management: **LIQA** (continued)

d) Stress testing

Stress testing framework and policy are driven by the importance of stress testing in the organization as well as the principles as set out by the QCB and Islamic Financial Services Board.

The Risk Management engage with the business to generate stress testing scenarios, as well as the relevant variables and results. Scenarios and results will then be reviewed before being presented to the management.

The Bank has conducted forward looking stress tests based on the stresses as set out in the QCB circulars. The methodology for the stress testing involved the development of five year forward looking pro-forma financial statements, and then applying the relevant stresses to these financials.

e) Contingency funding plans

A contingency funding plan LCFP outlines the contingent liquidity sources, the main responsibilities, and the series of steps management would take in responding to one or more liquidity stress event.

A contingency funding is simply a reserve fund set aside to handle unanticipated cash outflows that are outside the range of the usual operating budget. It is imperative for the Bank to maintain an adequate amount of liquid assets as a defense against a possible loss in an emergency situation. Financial resources may run dry quickly in adverse scenarios, forcing the Bank to look elsewhere for funding.

A contingency funding plan LCFP addresses the Bank's strategy for handling liquidity stress events. LCFP serve as the proposal for meeting its funding needs in a timely manner and at a reasonable cost. It describes policies and procedures for managing or making up cash flow shortfalls in stress situations.

13. Liquidity: DIS85 (continued)

Liquidity risk management: LIQA (continued)

Quantitative disclosures:

Balance sheet by maturity buckets

31 December 2024	Carrying amount	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Over 5 years
Cash and balances with central banks	5,671,858	446,004	-	-	-	5,225,854
Due from banks	5,164,680	4,512,933	2,239	361,802	287,706	-
Financing assets	110,039,563	7,193,167	2,021,476	4,558,730	49,965,631	46,300,559
Investment securities	43,767,223	1,810,561	2,155,766	7,424,143	30,072,891	2,303,862
Other assets	3,043,915	823,862	316,041	490,155	1,118,212	295,645
Total financial assets	167,687,239	14,786,527	4,495,522	12,834,830	81,444,440	54,125,920
Due to banks	23,756,860	19,480,190	1,192,974	1,175,969	1,907,727	-
Customer current accounts	7,030,727	7,030,727	-	-	-	-
Sukuk financing	3,293,405	-	600,268	2,693,137	-	-
Other borrowings	6,378,259	6,702	373,564	364,050	5,633,943	-
Financial liabilities of a non-Shari'a-compliant subsidiary	2,050,174	1,074,565	679,586	201,280	-	94,743
Total financial liabilities	42,509,425	27,592,184	2,846,392	4,434,436	7,541,670	94,743
Total quasi-equity	100,579,622	32,690,769	18,056,523	30,737,756	19,094,574	-
Total financial liabilities and quasi-equity	143,089,047	60,282,953	20,902,915	35,172,192	26,636,244	94,743
Liquidity gap	24,598,192	(45,496,426)	(16,407,393)	(22,337,362)	54,808,196	54,031,177

Amounts are carrying values as reported in published financial statements

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13. Liquidity: DIS85 (continued)

Liquidity Coverage Ratio (LCR): **LIQ1**

The table below sets out the split of cash outflows and cash inflows, as well as the available HQLA on both an unweighted and weighted basis, which are used to derive the LCR.

	T Total unweighted value (average)	Total weighted value (average)	T-1 Total unweighted value (average)	Total weighted value (average)	T-2 Total unweighted value (average)	Total weighted value (average)	T-3 Total unweighted value (average)	Total weighted value (average)	T-4 Total unweighted value (average)	Total weighted value (average)	
	31 December 2024	31 December 2024	30 September 2024	30 September 2024	30 June 2024	30 June 2024	31 March 2024	31 March 2024	31 December 2023	31 December 2023	
High-quality liquid assets											
1	Total HQLA	38,352,009		37,803,815		36,041,451		36,803,159		37,012,193	
Cash outflows											
2	Retail deposits and deposits from small business customers, of which:										
3	Stable deposits	12,683,706	1,871,242	11,807,077	1,820,956	11,235,018	1,685,277	11,663,461	1,734,337	11,525,295	1,745,822
4	Less stable deposits	23,190,420	955,985	23,680,503	955,637	23,037,605	922,200	22,185,372	918,626	21,506,623	850,830
5	Unsecured wholesale funding, of which:										
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	35,635,282	23,390,970	41,339,117	24,393,702	37,626,870	21,485,989	40,640,315	22,267,611	42,411,278	24,321,053
7	Non-operational deposits (all counterparties)	-	-	-	-	-	-	-	-	-	-
8	Unsecured debt	-	-	-	-	-	-	-	-	-	-
9	Secured wholesale funding	845,620	758,069	1,301,062	1,204,518	1,009,336	929,926	487,005	435,106	320,685	298,282
10	Additional requirements, of which:										
11	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-	-	-
12	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-	-

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13. Liquidity: DIS85 (continued)

Liquidity Coverage Ratio (LCR): LIQ1 (continued)

	T	Total	T-1	Total	T-2	Total	T-3	Total	T-4	Total
	unweighted	weighted	unweighted	weighted	unweighted	weighted	unweighted	weighted	unweighted	weighted
	value	value	value	value	value	value	value	value	value	value
	(average)	(average)	(average)	(average)	(average)	(average)	(average)	(average)	(average)	(average)
	31 December	31 December	30 September	30 September	30 June	30 June	31 March	31 March	31 December	31 December
	2024	2024	2024	2024	2024	2024	2024	2024	2023	2023
13	Credit and liquidity facilities	-	-	-	-	-	-	-	-	-
14	Other contractual funding obligations	730,533	730,533	100,063	100,063	68,736	68,736	89,943	89,943	154,342
15	Other contingent funding obligations	9,346,033	687,089	9,235,617	684,135	9,311,563	699,892	10,270,761	740,974	10,695,407
16	TOTAL CASH OUTFLOWS	82,431,594	28,393,888	87,463,438	29,159,011	82,289,127	25,792,019	85,336,856	26,186,597	86,613,628
Cash inflows										
17	Secured lending (eg reverse repos)	-	-	-	-	-	-	-	-	-
18	Inflows from fully performing exposures	859,485	429,742	917,276	458,638	888,388	444,194	1,049,078	524,539	1,027,003
19	Other cash inflows	2,790,203	2,790,203	3,100,588	3,100,588	3,447,572	3,447,572	4,447,635	4,447,635	4,308,453
20	TOTAL CASH INFLOWS	3,649,688	3,219,945	4,017,864	3,559,226	4,335,960	3,891,766	5,496,713	4,972,174	5,335,456
			Total adjusted value		Total adjusted value		Total adjusted value		Total adjusted value	
21	Total HQLA		38,352,009		37,803,815		36,041,451		36,803,159	
22	Total net cash outflows		25,173,943		25,599,785		21,900,253		21,214,423	
23	Liquidity Coverage Ratio (%)		152.35%		147.67%		164.57%		173.48%	

13. Liquidity: DIS85 (continued)

Liquidity Coverage Ratio (LCR): LIQ1 (continued)

The components of HQLA are as follows:

	T	T-1	T-2	T-3	T-4
	Total weighted value	Total weighted value	Total weighted value	Total weighted value	Total weighted value
	31 December 2024	30 September 2024	30 June 2024	31 March 2024	31 December 2023
Level 1 Assets					
Cash in Hand	473,831	512,149	549,030	525,430	576,335
Claim on QCB	5,353,254	5,411,880	5,197,573	4,774,944	4,357,193
Debt Securities (Sukuk):	31,472,541	30,785,069	29,335,943	30,485,707	30,928,523
Issued by Government of Qatar	31,472,541	30,785,069	29,053,965	30,220,472	30,928,523
Marketable Debt Securities (Sukuk) (0% RW)	386,385	424,965	400,508	401,899	552,504
Total Stock of Level 1 Assets	37,686,011	37,134,062	35,483,055	36,187,980	36,414,555
Level 2A Assets					
Marketable Debt Securities (Sukuk) (20% RW)	485,734	500,049	397,112	396,068	372,211
Marketable Debt Securities (Sukuk) issued by Non-financial institutions	-	-	-	-	-
Total Stock of Level 2A Assets	485,734	500,049	397,112	396,068	372,211
Level 2B Assets					
Qualifying Corporate Debt Securities (Sukuk) (including Commercial Paper)	134,085	123,844	117,694	177,415	186,248
Qualifying Common Equity Shares of non-financial corporates	46,179	45,859	43,590	41,697	39,178
Total Stock of Level 2B Assets	180,264	169,703	161,284	219,112	225,426
Total Stock of Liquid Assets HQLA	38,352,009	37,803,815	36,041,451	36,803,159	37,012,193

The average LCR ratio of the Bank decreased from 164.57% to 152.35% in June 2024 to December 2024, respectively, mainly driven by the higher total net cash outflows over the period. This increase in the total net cash outflows was partly offset by the net additions in investments in sukuk issued by the State of Qatar, resulting into higher average HQLA as at 31 December 2024, as compared to 30 June 2024.

13. Liquidity: DIS85 (continued)

Net Stable Funding Ratio (NSFR): LIQ2

31 December 2024

	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1 year	≥ 1 year	31 December 2024
Available stable funding (ASF) item					
1 Capital:	24,278,484	-	-	-	24,278,484
2 <i>Regulatory capital</i>	23,278,484	-	-	-	23,278,484
3 <i>Other capital instruments</i>	1,000,000	-	-	-	1,000,000
4 Retail deposits and deposits from small business customers:					
5 <i>Stable deposits</i>	-	24,159,608	9,068,776	2,749,425	29,461,804
6 <i>Less stable deposits</i>	-	-	-	2,749,425	2,749,425
7 Wholesale funding:					
8 <i>Operational deposits</i>	-	-	-	-	-
9 <i>Other wholesale funding</i>	-	65,914,455	14,106,483	23,763,362	48,304,196
10 Liabilities with matching interdependent assets					
11 Other liabilities:	6,634,735	-	-	-	-
12 <i>NSFR derivative liabilities</i>	-	-	-	-	-
13 <i>All other liabilities and equity not included in the above categories</i>	6,634,735	-	-	-	-
14 Total ASF	30,913,219	90,074,063	23,175,259	26,512,787	102,044,484
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)	91,979	5,881,594	4,265,856	26,675,979	2,192,472
16 Deposits held at other financial institutions for operational purposes					
17 Performing financing assets and securities:	3,131,469	16,210,527	2,658,149	102,747,297	92,819,819
18 <i>Performing financing assets to financial institutions secured by Level 1 HQLA</i>					
19 <i>Performing financing assets to financial institutions secured by non-Level 1 HQLA and unsecured performing financing assets to financial institutions</i>	-	5,898,264	364,050	369,725	1,921,659
20 <i>Performing financing assets to non-financial corporate clients, financing assets to retail and small business customers, and financing assets to sovereigns, central banks and PSEs, of which:</i>	2,930,803	7,157,684	2,073,701	92,971,636	82,103,701
<i>: of which Central bank balances</i>	-	53,414	-	5,225,856	-
21 <i>With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk</i>	-	-	-	6,460,066	4,199,043

13. Liquidity: DIS85 (continued)

Net Stable Funding Ratio (NSFR): **LIQ2 (continued)**

31 December 2024 (continued)

	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1 year	≥ 1 year	31 December 2024
22					
23					
24	200,666	3,154,578	220,398	2,945,870	4,595,416
25					
26	7,025,668	2,057,538	-	-	8,690,620
27	-	-	-	-	-
28	-	-	-	-	-
29	17,450	-	-	-	17,450.00
30	70,729	-	-	-	70,729.00
31	6,937,489	2,057,538	-	-	8,602,441
32	10,221,480				1,455,021
33 Total RSF	20,470,596	24,149,658	6,924,005	129,423,276	105,157,932
34 Net Stable Funding Ratio (%)					97.04%

13. Liquidity: DIS85 (continued)

Net Stable Funding Ratio (NSFR): LIQ2 (continued)

30 June 2024

	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1 year	≥ 1 year	30 June 2024
Available stable funding (ASF) item					
1 Capital:	23,740,991	-	-	-	23,740,991
2 <i>Regulatory capital</i>	22,740,991	-	-	-	22,740,991
3 <i>Other capital instruments</i>	1,000,000	-	-	-	1,000,000
4 Retail deposits and deposits from small business customers:					
5 <i>Stable deposits</i>	-	21,402,505	10,948,844	2,989,815	28,796,192
6 <i>Less stable deposits</i>	-	21,402,505	10,948,844	-	25,806,377
7 Wholesale funding:					
8 <i>Operational deposits</i>	-	-	-	-	-
9 <i>Other wholesale funding</i>	-	61,961,064	11,033,962	23,544,697	48,435,422
10 Liabilities with matching interdependent assets					
11 Other liabilities:	6,388,968	-	-	-	-
12 <i>NSFR derivative liabilities</i>	-	-	-	-	-
13 <i>All other liabilities and equity not included in the above categories</i>	6,388,968	-	-	-	-
14 Total ASF	30,129,959	83,363,569	21,982,806	26,534,512	100,972,605
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)	91,186	6,034,145	845,515	25,555,163	1,993,401
16 Deposits held at other financial institutions for operational purposes					
17 Performing financing assets and securities:	2,318,204	12,061,674	3,115,888	100,957,305	88,595,231
18 <i>Performing financing assets to financial institutions secured by Level 1 HQLA</i>					
19 <i>Performing financing assets to financial institutions secured by non-Level 1 HQLA and unsecured performing financing assets to financial institutions</i>	-	3,163,430	0	78,484	552,999
20 <i>Performing financing assets to non-financial corporate clients, financing assets to retail and small business customers, and financing assets to sovereigns, central banks and PSEs, of which:</i>	2,125,225	8,478,890	2,300,083	89,904,235	79,516,119
<i>: of which Central bank balances</i>	-	68,680	-	5,156,297	-
21 <i>With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk</i>	-	-	-	6,875,002	4,468,751

13. Liquidity: DIS85 (continued)

Net Stable Funding Ratio (NSFR): LIQ2 (continued)

30 June 2024 (continued)

	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1 year	≥ 1 year	30 June 2024
Available stable funding (ASF) item					
22 <i>Performing residential mortgages, of which:</i>					
23 <i>With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk</i>					
24 <i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>	192,979	419,354	815,805	4,099,583	4,057,362
25 <i>Assets with matching interdependent liabilities</i>					
26 <i>Other assets:</i>	8,785,831	2,292,916	-	-	10,591,866
27 <i>Physical traded commodities, including gold</i>	-	-	-	-	-
28 <i>Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties</i>	-	-	-	-	-
29 <i>NSFR derivative assets</i>	299,283	-	-	-	299,283.00
30 <i>NSFR derivative liabilities before deduction of variation margin posted</i>	46,980	-	-	-	46,980.20
31 <i>All other assets not included in the above categories</i>	8,439,568	2,292,916	-	-	10,245,603
32 <i>Off-balance sheet items</i>	10,442,637				1,578,847
33 Total RSF	21,637,858	20,388,735	3,961,403	126,512,468	102,759,344
34 Net Stable Funding Ratio (%)					98.26%

Net Stable Funding Ratio slightly decreased from 98.26% in June 2024 to 97.04% in December 2024, mainly driven by the increase in the required stable funding ("RSF") attributable to the growth in the Bank's financing assets, investment securities and interbank balances over the period. The increase in RSF is partly offset by the increase in available stable funding ("ASF") mainly driven by the increase in the regulatory capital and long-term deposits.